APPLIED POLITICAL ECONOMY
ANALYSIS OF USAID PRIORITY
PROVINCES IN INDONESIA

East Nusa Tenggara

September–October 2020
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East Nusa Tenggara

Monitoring, Evaluation, and Learning (MEL) Support to USAID/Indonesia

Mechanism Number: AID–486–I–14-00001 (IDIQ); Task Order 72049719F00001

Prepared for:
Elizabeth Mendenhall (Contracting Officer’s Representative, COR)
USAID/Indonesia

American Embassy
Jl. Medan Merdeka Sel. No.3-5, RT.11/RW.2
Gambir, Kecamatan Gambir,
Kota Jakarta Pusat, Daerah Khusus Ibukota Jakarta 10110
Indonesia

Prepared by:
Social Impact, Inc.
Contact: Valentine J. Gandhi, Chief of Party
2300 Clarendon Blvd., Suite 1000
Arlington, VA 22201

This report was prepared by Alfian Helmi (Social Impact), Basab Dasgupta (Social Impact), Christine Thomas (Social Impact), Valentine J Gandhi (Social Impact), with support from Samantha Martin (USAID, Co-Team Leader), Putu Kurniawan (USAID, Co-Team Leader), Matthew Burton (USAID), Peter Novak (USAID), and Rosio Lara Palma (USAID).
ACKNOWLEDGMENTS

The team would like to thank the following for their contributions to the report:

**PEA Field Work Team**
- Samantha Martin – USAID Co-Team Leader
- Putu Kurniawan – USAID Co-Team Leader
- Matthew Burton – USAID Researcher
- Peter Novak – USAID Researcher
- Rosio Lara Palma – USAID Researcher
- Alfian Helmi – SI Researcher

**PEA Management, Analysis, and Reporting Team**
- Basab Dasgupta – Team Leader
- Valentine Gandhi – MEL COP and Project Director and Reviewer
  - Alfian Helmi – SI Researcher
  - Christine Thomas – Project Manager
  - Leslie Hodel – MEL TFP and Reviewer
  - Alexandra McMullin – Copy Editor
- Fina Hastuti – Contracts and Financial Support
- Lucia Monalisa – Procurement Support

**USAID Program Office Management Support**
- Elizabeth Mendenhall – COR, and Director Program Office
- Marunga Manda – PEA Co Lead, M&E Advisor
- Fitria Wahid – ACOR, GIS Specialist
- Yasmeen Thomason – ACOR, Deputy Director, Programs Office
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ACRONYMS

APBD  Regional Government Budget (Anggaran Pendapatan dan Belanja Daerah)
APBN  National Government Budget (Anggaran Pendapatan dan Belanja Negara)
BAPPELITBANGDA  Development Planning Agency at Sub-National Level (Badan Perencanaan, Penelitian dan Pembangunan Daerah)
BAPPENAS  National Development Planning Agency
BLK  government-run training facilities (Balai Latihan Kerja)
BUMDES  Village Entreprises (Badan Usaha Milik Desa)
CDCS  Country Development and Cooperation Strategy
CLA  Collaborating, Learning, and Adapting
COR  Contracting Officer’s Representative
CSO  Civil Society Organization
CSR  Corporate Social Responsibility
DAK  Specific Allocation Funds (Dana Alokasi Khusus)
DAU  General Allocation Funds (Dana Alokasi Umum)
DO  Development Objective
DPRD  Local House of Representatives (Dewan Perwakilan Rakyat Daerah)
FF  Foundational Factors
GDP  Gross Domestic Product
GOI  Government of Indonesia
HN  Here and Now
IDR  Indonesia Rupiah
KII  Key Informant Interviews
KLHK  Ministry of Forestry and Environmental Services
MDG  Millennium Development Goals
MEL  Monitoring, Evaluation, and Learning
Musrenbang  Development Planning Deliberation (Musyawarah Perencanaan Pembangunan)
NTT  East Nusa Tenggara Province
NGO  Non-Governmental Organization
PDAM  Local Government-Owned Water Utility (Perusahaan Daerah Air Minum)
PEA  Political Economy Analysis
PERDA  Local Bylaws (Peraturan Daerah)
PPP  Public-Private Partnership
RGDP  Regional Gross Domestic Product
RPJMD  Regional Medium-Term Development Plan
RPJMN  National Medium-Term Development Plan (Rencana Pembangunan Jangka Menengah Nasional)
SDG  Sustainable Development Goals
SI  Social Impact, Inc.
SPAM  Drinking Water Provision System (Sistem Penyediaan Air Minum)
TTS  South Timor Tengah Regency
USAID  United States Agency for International Development
USD  United States Dollar
WASH  Water, Sanitation, and Hygiene
EXECUTIVE SUMMARY

INTRODUCTION

This political economy analysis (PEA) study intends to produce operationally relevant findings and implications to inform project/activity design for the upcoming Country Development and Cooperation Strategy (CDCS) by better understanding the local dynamics, potential implementation challenges, and opportunities associated with working in the eight provinces. USAID and the Government of Indonesia (GOI), represented by the National Development Planning Agency (BAPPENAS), signed the Bilateral Development Cooperation Framework for the period of July 23, 2020, to September 30, 2025, to implement USAID’s CDCS goal: “Indonesia is an advanced, just, prosperous, and self-reliant Indo-Pacific partner.” Aligning it with the GOI’s 2020–2024 National Medium-Term Development Plan goal, USAID as a donor will concentrate and integrate at least two-thirds of CDCS funding for national-level policy work in eight priority provinces, including East Nusa Tenggara Province (NTT). To advance its self-reliance goal, the GOI has identified four priority areas for USAID support: government effectiveness, human capital development, inclusive economic growth, and environmental sustainability. Under the new CDCS, USAID/Indonesia will contribute to GOI priorities through the following CDCS development objectives (DOs): DO 1: Effective, Democratic Governance Strengthened, DO 2: Inclusive Market-Driven Economic Growth Increased, DO 3: Environmental Sustainability Improved, and DO 4: Priority Health Outcomes Improved.

METHODOLOGY

The study uses the PEA framework as a structured approach for examining why things work the way they do. It examines the power dynamics, economic forces, and social forces that influence development effectiveness and analyzes findings according to four pillars: Foundational Factors, Rules of the Game, Here and Now, and Dynamics. To respond and adapt to these realities, the approach guides stakeholders in understanding the inherent challenges for operationalizing the process of political thinking and rigorous collaborating, learning, and adapting (CLA). This study uses a combination of contextual review, desk review, and fieldwork (structured stakeholder interviews) for the analysis. The contextual and desk reviews, previously submitted as standalone pieces, assisted in identifying relevant questions for fieldwork and fed into the analysis as a background document.

FINDINGS

INTERGOVERNMENTAL RELATIONSHIP

Some elements of the relationships between each level of government (national-provincial-district) are harmonious, but not all. This is reflected in the more than 80 percent paired win of Jokowi-Ma’ruf Amin in the 2019 NTT presidential election. The majority Catholic NTT voted overwhelmingly for Jokowi in 2014, with the president receiving 65.9 percent of the vote. As reported by the informants from the government and NGOs, the central government’s large funding allocation to NTT has also prompted cooperation across each level of government to build infrastructure (namely dams) to solve the water crisis, build infrastructure in the border areas, and establish Labuan Bajo as a super-premium tourist destination.

In some cases, the relationship between the governor and regents is less accordant because of existing political party differences. There is also a disconnect in planning between provincial governments and district governments, as seen within the Regional Medium-Term Development Plan (RPJMD). In certain circumstances, at the provincial level there is difficulty in aligning the RPJMD with program planning of the technical offices (Dinas) and their action plan, where the technical offices would then have to make adaptations to their planning. This causes the district and village governments having to take more time to translate the province-level planning and adjust it to their
own planning because provinces and districts have different priorities, time frames, issues, locations, skills, and capacity.

GOVERNANCE AND ACCOUNTABILITY

Several key players in NTT influence political decisions: (i) media, (ii) private sector, and (iii) civil society organizations (CSOs)/non-governmental organizations (NGOs). The media plays a significant role impacting policy in NTT, operating as a central part in informing the public on provincial news. However, informants from NGOs and academia argued that the citizens in NTT are becoming increasingly concerned about the lack of neutrality of the major print and digital media outlets, as some are owned by politicians.

The private sector both directly and indirectly influences policy through their contribution to economic development in NTT. NTT Provincial Government partnered with the private sector to create a commercial industry for various commodities (e.g., salt, sugar, agriculture, etc.) and the tourism sector. However, problems still exist between the local government and indigenous communities because of government infringement on traditional lands. As reported by the informants within academia and NGOs, this was caused by the government’s poor communication with the local communities or poor follow-through on local communities’ dialogue with the government. Religions and customs are quite powerful and influential in the province. Since religion in NTT is inextricably intertwined with ethnicity, ethnic rivalry for control of strategic executive and legislative positions at the provincial level inevitably contains undertones of religious rivalry, especially between Catholics and Protestants. The provincial government must ensure a fair share of the budget to be allocated to religious and ethnic groups (i.e., provide funds or services for all religious and ethnic groups), to create a balance in government leadership.

The Musrenbang activity was established by the central government as a mechanism to increase citizen participation in the development planning process, starting from the village level to the regency level. Informants from the government noted that although improvements are needed, Musrenbang has functioned well as a bottom-up approach to collect inputs from the public. However, as reported by the informants from NGOs and within academia, there are limitations to Musrenbang as it is often implemented only as a formal procedure in which the goals and ideas of district and provincial governments are eventually prioritized and implemented over ideas and aspirations from local communities collected through the process.

SERVICE DELIVERY

NTT is the driest province in Indonesia, with the shortest rainy season of any province, further reducing access to clean and safe water for its residents. Not only do these water shortages greatly disrupt community livelihoods, but the lack of water sources also jeopardizes farmers’ crops, as they are confronted with the difficult decision to use water for agriculture production or for survival.

WASH: Lower-income groups suffer disproportionately from water scarcity in NTT. Because water tanks are the primary source of water during dry seasons, the increased demand drives prices higher, reaching up to IDR 200,000 (US$13.61) to IDR 300,000 (US$20.42) for a 5,000-liter water tank. Water delivery systems and related logistics remain an issue. The lack of clean drinking water, sanitation, and health facilities has led to children suffering from diarrheal diseases, both a direct contributor to child mortality and a factor that exacerbates malnutrition levels and stunting. NTT had around 92,110 cases of stunting (30.1 percent) in 2019 and a higher child mortality rate than the rest of the country, highlighting the potentially heightened impact of the water crisis.

1 Musyawarah perencanaan pembangunan (Musrembang) is the standard annual participatory development planning deliberations set by BAPPENAS. The process is tiered from the kelurahan level, at which decisions are brought up to the next deliberative levels (sub district, city, provincial, and national levels). The Musrembang decisions are the basis for stipulating the annual provincial budget.
Health: NTT’s health sector challenges include stunting, malnutrition, shortage of skilled birth attendants, neonatal mortality, and low immunization coverage. According to the basic health survey in Indonesia, almost 80 percent of the population in NTT is categorized as having difficulty accessing local hospitals, a secondary level of basic needs. For those who can access hospitals, a donor agency informant reported that patients face challenges regarding poor quality care (below the Indonesian average) and health care workers’ poor compliance with standard procedures and regulations. Health workers in NTT also have a lower level of education compared with other provinces.

Environmental protection: Informants from NGOs said that there are several existing opportunities that the private sector can promote to ensure sustainable development. For instance, BUMDes, or the village enterprises, have planted 10,000 trees in some areas of NTT, collaborating with the Ministry of Forestry and Environmental Services (KLHK). Similarly, development of sustainable energy from solar energy and access to water are completed in collaboration with the private sector. The other example is the development of marine protected areas and marine ecotourism in the coastal area of NTT.

Inclusive Economic Growth

While the government has made attempts at providing opportunities for inclusive economic activities such as the Village Fund (Dana Desa), an instrument that authorities can use to build the capacity of individuals and businesses, the government tends to work with powerful stakeholders within the communities to implement programs, and civil society organizations fail to advocate for their interests, resulting in a non-inclusive and inefficient budget allocation. Currently, the government is working on supporting as many entrepreneurs as they can. However, academic informants claim the government does not currently play a role in linking producers with the market, so that the small enterprises can grow. The government is also not actively engaged in connecting large investors with the localities so that more jobs are created for the local people. Some informants also indicated that most skilled workers come from outside of NTT, and locals are primarily engaged in unskilled, low-paying jobs.

Tourism is seen as a leading sector by the provincial government and is written in the provincial development plan (RPJMD). However, the community expressed both positive and negative views on the tourism development in Labuan Bajo which serves as an entrance to numerous other tourist destinations around NTT.

Donor Coordination

In NTT, the informants from the government report that many donors come with their thoughts and their own way of doing things that lack alignment with the government’s priority and community needs. NTT has a Joint Secretariat (sekretariat bersama) to coordinate all donor activities with the local government in this province. However, this forum has not been able to implement its tasks and mandates effectively, efficiently, and dynamically, and there are still overlapping programs and budgets among the donors.

Each provincial Development Planning Agency at Sub-National Level (BAPPELITBANGDA) is mandated to develop a Regional Action Plan (Rencana Aksi Daerah) to accelerate the implementation of the SDGs. The Provincial Government expressed eagerness to cooperate with donors on these goals, making the SDGs a good entry point for USAID.

Conclusions

Inter-Governmental Relationship

Despite several favorable Foundational Factors with regard to intergovernmental relationships, such as substantial budget allocation and a development orientation that have fostered a harmonious
relationship between the central and provincial government, the relationship between the provincial and district governments, in some cases, remains strained. In terms of Rules of the Game, different types of autonomy at different levels of government result in different types of regulations that somehow mismatch one another. Additionally, development programs and policies at the national level do not always respond to the provincial or local needs, implying the lack of coordination between different levels of government.

GOVERNANCE AND ACCOUNTABILITY

Governance and accountability in NTT lack inclusivity and effectiveness. In terms of Rules of the Game, certain levels of government are either willfully or inadvertently not taking the communities’ concerns and perspectives into account or involving them in policymaking decisions. While the public is involved in the planning process through Musrenbang, this involvement is often just a formality, and there is no guarantee that government officials incorporate village-level public input when preparing the local budget. In the context of Here and Now, too much implementation even in recent days without following proper channels of development is creating challenges. For example, the government was putting some programs in place without prior notice to the local community, especially indigenous landowners, which led to an escalation of land-related conflicts.

SERVICE DELIVERY

All informants mentioned that geographic conditions across the many islands comprising NTT make accessibility challenging and costly—a Foundational Factor that complicates service delivery. In addition, corruption, and an ineffective budget, still hamper the provincial development process. Moreover, within government, human resource capacity constraints pose critical challenges to development planning, monitoring, and budgeting.

INCLUSIVE ECONOMIC GROWTH

One substantial challenge that NTT faces is a lack of inclusive economic development. Despite a relatively steady and high gross domestic product (GDP) and growth rate per annum (5.2 percent) among other Foundational Factors, the poverty rate is still high. A weak investment climate, lack of infrastructure, ethnicity and religion-based allocation of economic opportunity, and an inadequately skilled workforce are creating dynamics that have deterred investment and impeded the development of a competitive private sector. The result is high rates of poverty and unemployment and low labor force participation. One key component of the rules of the game is Governor Laiskodat’s simplification of regulation procedures and arranging of the NTT Satu Data (Province Regional Development Planning Data Center), which many informants praised. Although the government approach appeals to the private sector to invest in NTT, it has not fixed the foundational difficulties the private sector faces in dealing with local cultures, particularly on customary lands. Consequently, there are still many unresolved conflicts between private sector and local communities, as shown in Labuan Bajo, Komodo National Park, Sumba, South Timor Tengah regency (TTS), and the other districts in NTT.

The tourism sector, as many respondents reported, has potential to improve and boost the economy in NTT. The existence of tourism, however, does not necessarily translate to local community benefits. The tourism industry, one of the main economic drivers of the province, has been significantly impacted by COVID-19—a good example of how current events, or Here and Now, could impact the economy in NTT. Even though the impact did not have as substantial an impact compared to Bali, an effective recovery effort across the tourist destinations needs to be developed.

RECOMMENDATIONS

1. **Engage with the Provincial Government.** As a new province for USAID, NTT has extensive potential, yet USAID needs more detailed information regarding each sector.
USAID (and/or implementing partners) should collaborate with BAPPELITBANGDA to gain complete information about the development programs and other donor projects. Engagement with BAPPELITBANGDA is also necessary to align with local priorities and timelines.

2. **Sustainable Development Goals (SDGs) as Entry Point.** NTT Provincial Government is eager to cooperate on SDG-related issues and aims to solicit capacity-building programs, innovative ideas, and pilot activities related to SDGs. These are good entry points for USAID to align the mission with the SDGs implementation in this province.

3. **Governance and Public Participation.** To bridge the gap between the citizens and the government in development processes, USAID should strengthen alternative media outlets and CSOs.

4. **Land tenure:** Support mechanisms that aim to bridge stakeholder communication and resolve land tenure disputes that hinder development. This could be done through supporting the government, CSOs, and the private sector to strengthen adat (local customs) institutions at the district level. USAID’s programs in land tenure and resource rights help to expand economic growth, improve food security, limit conflict, empower women, address global climate change, and improve natural resource management.

5. **Village Fund.** Promote civil society’s role in monitoring the use of funds and improving villages’ planning capacity. USAID programs should also improve people’s literacy in understanding their role and rights as villagers.

6. **Water, Sanitation, and Hygiene (WASH).** Considering the geographical challenges in NTT, USAID should focus on catalytic sector investments rather than WASH service delivery to beneficiaries, one community at a time. This investment should facilitate greater provision of safe water to reduce the burden on the household to purchase water. Complete integration with WASH and nutrition programming is also needed for enhancing the nutrition outcomes and greater health gains.

7. **Capacity-Building and Workforce Development.** Design education and training programs that facilitate the government officials’ and the citizens’ entry to growth sectors. Coordination is needed in the areas of education, workforce development, and economic development, including significant involvement of local service providers. Local service providers include community colleges, universities, vocational training programs, community-based workforce organizations, and other workforce development intermediaries.

8. **Public-Private Partnerships (PPPs).** Facilitate PPPs to create enabling conditions for the private sector to help address development challenges in NTT. For instance, the partnership between the provincial government and the private sector to engage in inclusive workforce development, particularly in the growth sector (tourism).
INTRODUCTION

Politics, and the political economy, affect whether and how reforms are implemented in developing as well as in developed countries (Fritz, Kaiser, and Levy 2009). Political economy analysis (PEA) is an analytical approach to indicate how political thinking can be applied more systematically to “understand the underlying reasons why things work the way they do and identify the incentives and constraints impacting the behavior of actors in a relevant system” (Menocal 2018). Armed with a clear understanding of these complex dynamics, USAID/Indonesia will be better equipped to identify appropriate, sustainable solutions that enhance self-reliance.

This PEA study is intended to produce operationally relevant findings and implications to inform project/activity design for the upcoming Country Development and Cooperation Strategy (CDCS) by better understanding the local dynamics, potential implementation challenges, and opportunities associated with working in the eight provinces. USAID and the Government of Indonesia (GOI), represented by the National Development Planning Agency (BAPPENAS), signed the Bilateral Development Cooperation Framework for the period of July 23, 2020, to September 30, 2025, to implement USAID’s CDCS goal: “Indonesia is an advanced, just, prosperous, and self-reliant Indo-Pacific partner.” Aligning it with the GOI’s 2020–2024 National Medium-Term Development Plan goal, USAID as a donor will concentrate and integrate at least two-thirds of CDCS funding for national-level policy work in eight priority provinces, including East Nusa Tenggara Province (NTT). To advance its self-reliance goal, the GOI has identified four priority areas for USAID support: government effectiveness, human capital development, inclusive economic growth, and environmental sustainability. Under the new CDCS, USAID/Indonesia will contribute to GOI priorities through the following CDCS development objectives (DOs): DO 1: Effective, Democratic Governance Strengthened, DO 2: Inclusive Market-Driven Economic Growth Increased, DO 3: Environmental Sustainability Improved, and DO 4: Priority Health Outcomes Improved.

To feed into its CDCS programming, USAID reviewed eight priority provinces through a PEA framework that will allow the DO teams to gain a better understanding of the local context resulting in more tailored project activity designs. The advantage of using PEA in this regard is that it fits more systematically into this particular operational work to better address risks and respond to demands for an appropriate approach that is tailored to specific situations in the target areas to enhance development effectiveness.

ASSESSMENT PURPOSE AND AUDIENCE

The monitoring, evaluation, and learning (MEL) support team is tasked by the Mission to provide support to each provincial team from USAID’s eight target provinces and guide them to complete each phase of the study—contextual and desk review phase, data collection tool and protocol development phase, interview phase, and analysis and report writing phase. The purpose of this study is to utilize USAID’s applied PEA methodology to better understand the local dynamics, potential implementation challenges, and opportunities associated with working in all eight provinces chosen by USAID/Indonesia as priority focus provinces under the Mission’s new CDCS.

The two key objectives of the PEA are to:

1. Help the Mission better understand the provincial-level context and the likelihood for change in priority development sectors.
2. Inform activity design in support of CDCS implementation, including suggestions of programmatic approaches to address key findings specific to each province.

Additionally, the PEAs should support Mission staff in gaining a greater understanding of the elements at the local level required to support Indonesia on its journey to self-reliance.
SUMMARY OF DESK REVIEW FINDINGS

NTT has 22 administrative areas (21 regencies and one municipality) and is the driest province in Indonesia. NTT has the shortest rainy season of any province, which consequently reduces access to clean and safe water for its residents. Access to water is a major problem throughout much of NTT, with climate and rainfall patterns experiencing increased variability. In 2018, access to drinking water in NTT was nearly 67 percent in rural areas and 90 percent in urban areas; compared with 64 percent and 81.5 percent nationally (BPS, 2019).

Further, NTT offers considerable tourism potential with rich biodiversity, particularly in Labuan Bajo and the Komodo Islands. While biodiversity is a driver of tourism in Indonesia, tourism can threaten biodiversity through pollution, the invasion of foreign plant species, habitat changes and degradation, habitat loss, and wildlife disturbance (Hakim 2017). Apart from this, customary land disputes are also an ongoing challenge for the NTT Government. These disputes are driven by the lack of state recognition of customary and communal lands, intensive logging, commercial interests in mining, and palm oil plantations and threaten local communities’ welfare and livelihood securities (Kristiansen and Sulistiawati 2016).

Despite a steady gross domestic product (GDP) growth rate per annum (5.2 percent) than the national average (5 percent), the regional GDP (RGDP) of NTT in 2019 was US$7.57 billion—only 0.67 percent of the national GDP. Foreign direct investment (US$19.4 million), and domestic direct investment (188.4 billion IDR or US$13 million) in NTT is well below the national median (World Bank 2020). The agriculture, forestry, and fishery sector grew by 3.75 percent in 2019 (Context Review 2020), and 80 percent of agriculture is rainfed (USAID 2020). Economic capacity in NTT is far below the national median (2.6 percent as compared with a 22.5 percent national median) because of low of Information and Communication Technology adoption (7.5 percent) and export sophistication (0.4 percent) relative to their respective national medians (43.3 percent and 5.8 percent; Provincial Roadmap 2020). NTT ranks high in commitment to economic policy context (34.2 percent) despite having a relatively worse business environment (38.5 percent) and significantly lower trade freedom (0.5 percent) as compared with respective national medians (45.7 percent and 4.4 percent).

In terms of economic inclusion, NTT lags far behind other provinces. NTT’s commitment to equality and inclusion is moderately high (39.1 percent as compared with the national median of 33.1 percent; Provincial Roadmap 2020). NTT has one of the highest poverty rates (21.4 percent as compared with 9.8 percent nationally) in Indonesia (USAID 2020). Around 3.3 percent of the national poor and vulnerable population (bottom 40 percent) live in NTT. There is a marked
difference in rural (24.45 percent) and urban (8.34 percent) poverty rates within the province (Central Statistical Bureau 2018).

Further, NTT Provincial Government makes little effort to engage in addressing government reforms, which is reflected in its Capacity Index Score (3 compared with 3.11 average of the provincial government organization). The NTT Provincial Government developed e-government tools such as e-planning, e-simda, Pelayanan Terpadu Satu Pintu (the integrated one-step service center), e-services, e-sakip, e-samsat, and online payments at hospitals. However, implementation of the e-government system is suboptimal because of budget constraints, limited human resources, and inadequate IT infrastructure (Mali and Novitasan, 2018).

PEA THEMES

The PEA fieldwork in NTT covers five major themes: (1) intergovernmental relationship; (2) governance and accountability; (3) service deliveries; (4) inclusive economic growth and workforce development; and (5) donor coordination.

Theme 1 focuses on the intergovernmental interaction in terms of policy deliberation and implementation, while theme 2 addresses the current level of commitment to effective governance. Theme 3 comprises two main topics: the government’s policies and strategies, and the current partnership between the public and private sectors. Theme 4 also consists of two main topics, namely the Village Fund and workforce development, particularly in the growth sector. Last, theme 5 delves into the most effective way to engage with regional development programs.
METHODOLOGY

This study uses a combination of contextual review, desk review, and fieldwork for its PEA analysis. The contextual and desk review, previously submitted as standalone pieces, assist in identifying relevant questions for fieldwork and hence feed into the analysis as a background document identifying drivers of inclusive economic growth, better governance and accountability, and sustainable development of the priority sectors such as the environment and health. The study uses the PEA framework as described by USAID (Menocal et al. 2018), a structured approach for examining power dynamics, economic forces, and social forces that influence development effectiveness. To respond and adapt to these realities, the approach guides stakeholders in understanding the inherent challenges for operationalizing the process of political thinking and rigorous collaborating, learning, and adapting (CLA).

Following the PEA framework, the study identifies and breaks down the contributing factors to development (or lack of it) by examining four areas into which most constraints fit: (i) Foundational Factors: deeply embedded, longer-term socioeconomic structural factors, that shape the nature and quality of a given political system, sector, or problem, and inform why it works or looks the way it does; (ii) Rules of the Game: formal and informal institutions, such as rules and norms, that shape the quality of governance and influence actors’ behavior and their incentives, relationships, power dynamics, capacity for collective action, and the extent to which public and private actors behave and interact in ways that are widely known and accepted; (iii) Here and Now: how current events and circumstances influence the objectives and behavior of key actors or stakeholders, and how they respond to opportunities and impediments to change; and (iv) Dynamics: ways in which the analytical components of the framework interact, addressing how they affect each other, and how they influence/shape prospects for change.

DATA SOURCES AND SELECTION

Prior to starting our research, we identified several prospective informants that might be able to answer our questions. The NTT team planned to hold 20 key informant interviews (KIIs). Each potential interviewee was contacted by e-mail and formally invited to take part in the study. In total, 16 people were willing to participate in interviews. This included seven key informants from civil society organizations (CSOs), three from academia, three from government agencies, two from donors, and one from the private sector.

The PEA fieldwork comprised four activity phases: introduction to and review of tools, fieldwork training, interview scheduling, and conducting interviews. The introduction to PEA, developing and reviewing tools was launched between July 30 and August 8. Fieldwork training and scheduling interviews were conducted between August 14 and September 14. While training was concurrent for all provinces, KIIIs were staggered in scheduling. The entire process took a participatory approach by involving the provincial USAID team and the MEL team.

As interviews were all conducted in Indonesian, the Social Impact, Inc. (SI) researcher prepared the full interview transcriptions in Indonesian and their summaries in English. The NTT team then reviewed the interview summaries. Based on these reviewed summaries, the SI researcher mapped and coded all the summaries in the process of drawing up a matrix of compiled findings, conclusions, and recommendations. This matrix then becomes the basis for writing the draft report.

ANALYSIS

The NTT provincial team began analysis following data collection at the end of September. It utilized the framework published by the Learning Lab for assistance in initial KII and focus group discussion
summary translation and review in preparation for the Findings, Conclusions, and Recommendations Matrix (see Annex 4). As the first step of analysis, the team summarized each interview based on the information provided by the interviewee, followed by a team discussion. Once all interviews were summarized individually, a qualitative tally was prepared to assist in coding overall themes and frequency of interviewee responses for the PEA pillars. Finally, from this tally, the provincial team leaders summarized the overarching findings in the Findings, Conclusions, and Recommendations Matrix in preparation. The reason for developing the tally sheet was to identify the number of interviewees from government, civil society, academics, and the private sector; and their sex and the number of questions they responded to.

As a next step, the researcher prepared a summary of all interviews in the Findings, Conclusions, and Recommendations Matrix and disseminated to other team members for their review. This participatory approach involved each member of the team in the process to contribute based on their own views which ensured all team members participated and provided quality assurance. The same approach was followed during the drafting phase of the report. A standardized PEA report template is used to organize this report.

LIMITATIONS

Dealing with sensitive questions. Governance and accountability become a sensitive issue, particularly when an external team (including donors) discusses levels of corruption or intergovernmental relationship with government officials. To make PEA questions as apolitical as possible, the team needed to work with the language of economics more than the language of politics. This is not an uncommon issue for PEA analysis. Hudson and Leftwich (2014) note that because handling such issues is difficult, most PEAs rely too much on economic assumptions and make it more of an “economics of politics” than a political economy analysis.

Logistical challenges. Since online interviews are different than face-to-face interviews, the possible effects that the difference in methods could have were considered. For instance, the question was raised as to whether it was it is more difficult to get a sense of body language when a webcam is used instead of a face-to-face interview. Despite this difficulty the team tried its best to build rapport and establish a good connection with the informants during the online interviews. Apart from that, unstable internet connections and technical constraints encountered in several interviews were limitations that may have affected the findings captured in PEA research.
FINDINGS

PEA interviews with the selected informants in NTT garnered findings across each of the five themes, which are summarized below. Complementary information derived from the Desk Review is available in a separate report.

THEME 1: INTERGOVERNMENTAL RELATIONSHIP

Some elements of the relationships between each level of government (national-provincial-district), are harmonious, but not all. This is reflected in the landslide win of Jokowi-Ma’ruf Amin in the 2019 NTT presidential election who won by 80 percent. The majority of Catholics residing in NTT voted overwhelmingly for Jokowi in 2014, with the president receiving 65.9 percent of the vote. The many development activities in NTT have also fostered cooperation across levels of government. As reported by the informants from governments and NGOs, the central government has allocated large funds to build some mega infrastructures (such as dams and new roads) to solve the water crisis, improve connectivity, build or improve infrastructures in border areas, as well as setting up Labuan Bajo as a super-premium tourist destination.

In some cases, the relationship between governor and the regents are less accordant because of political party differences. There is also disconnected planning between the provincial government and district government, as seen within the Regional Medium-Term Development Plan (RPJMD). In certain circumstances, the connection between the RPJMD and office planning and action plan is questionable, because provinces and districts have different priorities, time frames, issues, places, skills, and capacity.

Some respondents indicated the central government does not really understand the problems in NTT for development planning. This may be because of the supply-driven methodology of development planning in NTT instead of utilizing needs assessments or demand-driven approaches from the village, district, or province. Each year there is a Musrenbang (Development Planning Multi-stakeholders Consultation Meeting)\(^2\), but the implementation appears to be simply a formality, as there is no guarantee that public input at the village level will be used as a reference point for the provincial or district budget preparations. Some informants from the government side however mentioned that the Musrenbang has functioned well to collect aspiration from the bottom although some improvement are needed in the process.

The NTT Provincial Government has increased its efforts to improve coordination between different levels of government through efforts such as a monthly coordination meeting, assistance for drafting the Regional Government Budget (APBD), the National Government Budget (Anggaran Pendapatan Belanja Negara or APBN), and others. However, academic, NGO/CSO, and donor informants noted a lack of technical skills and capacity remains a challenge across nearly all government sectors. This in turn translates into project delays for activities designed by the central government or dissatisfaction with project outcomes.

THEME 2: GOVERNANCE AND ACCOUNTABILITY

The development priority in NTT is largely dependent on the acting governor, as reported by informants within academia. If the governor belongs to a certain ethnic group or geographic region, they are perceived as prioritizing programs favoring their cultural or geographic background. For example, in particular districts, government officers are dominated by a narrow group of elites with close ties to the aristocratic elite in NTT. One informant mentioned a political clientelism for the

\(^2\) *Musyawarah perencanaan pembangunan* (Musrembang) is the standard annual participatory development planning deliberations set by BAPPENAS. The process is tiered from the kelurahan level, at which decisions are brought up to the next deliberative levels (sub district, city, provincial, and national levels). The Musrembang decisions are the basis for stipulating the annual provincial budget.
fund’s use, with political support being lobbied as a part of elections for the head of village (kepala desa). As a result, when funds are distributed, the elected official will prioritize fund distribution for those who politically supported them during the election.

Religions and cultures are quite powerful and influential in NTT, often intertwining with each other. Some government informants reported that the political budget in the province represents the ethnicity and the religion, with this view also verified by various governmental officials. As a result, there is a demand to balance the ethnic background in government leadership, with additional community scrutiny regarding appropriate cultural representation in government offices. As typically found in other areas, the religious or ethnic identity of candidates often becomes politicized during district or provincial elections, influencing not only bureaucratic positions, but university academic positions as well. Therefore, the political budget must represent the ethnicity and the religion, with an increased demand for ethnic and religious background balance in government leadership.

Several other key players exist in NTT that influence political decisions: (i) the media, (ii) the private sector, and (iii) CSOs/non-governmental organizations (NGOs). The media plays a significant role impacting policy in NTT, by updating the public on provincial news. However, the informants argue that the citizens in NTT are becoming increasingly pessimistic about the neutrality of mainstream media, as some are owned by politicians. Furthermore, since private sector investment is weak in NTT, the advertisements in local media are filled by government offices to advertise their policies, programs, or services.

The private sector is another highly influential group implementing public policy, showcasing this influence through direct financial contributions. The NTT Provincial Government partnered with the private sector to create a commercial industry for various commodities (e.g., salt, sugar, agriculture, etc.) and the tourism sector. However, problems still exist between the local government and indigenous communities because of government infringement on traditional lands. As reported by key informants, this developed because of poor communication from the government to the local communities and because of the lack of follow up from government officials. Consequently, some development programs were not successfully implemented because the land ownership issues were not resolved.

Customary land disputes are an ongoing challenge for the NTT Provincial Government. These disputes are driven by the lack of state recognition of customary and communal lands. The provision of alternative settlement of customary land disputes requires a specific local bylaw (perda) that clearly outlines the specific actors, roles, and responsibilities to resolve disputes. However, ensuring alignment between perda and customary law remain the biggest challenges. According to literature, ensuring a fair and impartial dispute mechanism is challenging. Traditionally, customary forums mediated by a subdistrict head or regent have been the preferred method of dispute resolution because it reduces case burden in the district court. However, these forums can be more favorable to actors with specific interests or agendas. Thus, according to an NGO informant, it is crucial for the government to strike a balance in enacting customary and regional laws. Moreover, there are no uniform definitions of specific customary terminologies, which makes it difficult to develop a comprehensive Perda. Finally, the court, attorney, and police do not have jurisdictional obligations to follow, and do not accept customary land dispute resolution as customary laws are considered informal institutions (Wicaksono and Yurista, 2018).

The government has implemented several mechanisms for community involvement in policy making most notably through the creation of Musrenbang. However, the process of Musrenbang has primarily not been properly implemented due to conflicting government priorities and in some cases when local initiatives have made their way to upper levels of Musrenbang, the policies were not implemented allegedly due to different political interests, funding, or varying opinions on the priority of each issue.

Though there is room for participation, involvement is not comprehensive and somewhat difficult, resulting in only partial participation. As a result, there are continued protests about government-
developed program priorities developed without the community’s engagement. Some community members in Labuan Bajo attempt to influence policy through grassroot movement management, such as through: (i) organizing demonstrations represented by the local community; (ii) organizing a campaign that uses media as a platform to raise awareness and pressure government officials; and, (iii) initiating an audiovisual platform to facilitate critical voice, gain solidarity from the indigenous community (adat), and influence the decision-making process.

**NTT’S MEDIA/INFORMATION LANDSCAPE**

Media has a significant role, operating as a liaison between the government and the community. Older individuals, including key government personnel, use Facebook and WhatsApp for information, and younger persons use additional platforms, such as Instagram and YouTube. Radio has persisted as a viable and trustworthy alternative to newspapers and other sources of news information in rural areas. Radio is still the main source of information in rural areas where internet access and smartphones are limited.

The traditional news medium is newspapers, though in Kupang these are controlled by the government and cover only party-theme items. Online news equally misses community dynamics and key issues because the budget is derived from local government and political parties, or there is a lack of budget for proper messaging.

In general, the media plays a very important role in forming public opinion and can positively influence development activities or provide strategic critiques for government policies not in line with civil society. However, one CSO respondent pointed out that media outlets have the potential to spread propaganda (i.e., manipulation and to make the case closed). Therefore, a focus on continued work with major digital or print news outlets is needed to ensure appropriate community education is accommodated and community agency is promoted. Considering this landscape, some CSO and academia informants suggested that the NTT would benefit from having an independent news media source that could provide more balanced information. In such cases, independent news media sources are an alternative public sphere with an oppositional role to enhance the vividness of democracy.

Additionally, some media platforms were created due to citizen disappointment and frustration of activists and academia. These platforms are based on self-managed citizen journalists’ production of critical content that is widely available, distributed, and reaches a large audience. There is greater trust in local media versus dominant provincial-level print news outlets, as the latter are not independent (as described). However, in practice, the local media often face obstacles demonstrated by low professional journalist standards, lack of financial resources, and weak technical skills. In addition, the local media in some cases may not be able to break free from political constraints and may operate according to private interests (i.e., media capture).

**THEME 3: SERVICE DELIVERIES**

**WATER, SANITATION, AND HYGIENE (WASH)**

All informants reported that water supply is the main problem in NTT. Clean water is not always available, especially for those living in the hot and dry mountainous area of the region, where the terrain also makes sanitation infrastructure development difficult. Based on the SDG Baseline Report on Children in Indonesia, NTT has challenges in improving access to drinking water and improved sanitation (BAPPENAS and UNICEF 2017). Informants indicated there are several problems facing the WASH sector, such as: (i) NTT has limited sources, both groundwater and surface water; (ii) almost all districts in NTT were dry areas with low rainfall intensity; and (iii) poor management capacity of Local Government-Owned Water Utility (PDAM). Water shortages greatly disrupt community livelihoods. Lack of water sources also causes crop failure. This not only reduces their chance to produce for sale, but sometimes they cannot produce enough for their own survival.
Clean water scarcity also constitutes a larger issue for lower-income groups in NTT. With water tanks remaining the primary water source during dry seasons, the increased demand drives prices higher, with a government informant quoting costs reaching up to between IDR 200,000 (US$13.61) and IDR 300,000 (US$20.42) for a 5,000-liter water tank. Water delivery systems and related logistics remain an issue. The lack of clean drinking water, sanitation, and health facilities has led to children suffering from diarrheal diseases, both a direct contributor to child mortality and a factor that exacerbates malnutrition levels and stunting. NTT has around 92,110 cases of stunting (30.1 percent) in 2019 and a higher child mortality rate than that in the rest of the country, highlighting the heightened impact of the water crises (BPS, 2019).

In NTT, there are more than 3,000 villages, yet there remains only one Drinking Water Provision System (SPAM or Sistem Penyediaan Air Minum). As a result, water quality and distribution remain insufficient in many locations. The head of BAPPELITBANGDA mentioned the house connections in NTT are lower than 50% of the population. Moreover, informants from NGOs and government indicated that during the rainy season, the increased rains and poor drainage systems result in soil appearing in water, causing this water to be undrinkable.

To tackle this problem, the government has engaged parties tasked with handling health, food security, clean water, and sanitation. For instance, through a collaboration with a semi-private financial system (Pola Pengelolaan Keuangan Badan Layanan Umum Daerah), the NTT Provincial Government established Badan Layanan Umum Daerah-SPAM.3

NTT has challenges in stunting, malnutrition, skilled birth attendants, neonatal mortality, and low immunization coverage. According to the 2018 Indonesian Basic Health survey, approximately 80 percent of the population in NTT are categorized as having difficulty accessing NTT hospitals, a secondary level of basic needs (NIHRD 2018). According to a donor informant working in the health sector, among those who can access hospitals, the quality of health care is below the Indonesian average, and health worker compliance with standards and regulations is poor. Health staff have a lower level of education compared with other provinces.

Informants from donor agencies and NGOs stated some health issues, such as stunting, have been long-term concerns, though little progress has been made thus far. Informants from a donor agency also noted that investments to address stunting have increased over time but have largely been ineffective because of lack of innovation.

**GENDER AND WOMEN EMPOWERMENT**

According to the informants from NGOs and donors, issues related to women’s health services, delivery and gender inclusion, include reproductive health, protection from violence, social security, exploitation of women migrant workers and the low involvement of women in government/parliament. The informants from NGOs and donor agencies also stated that protecting women from violence has not been a government priority yet. There is no clear budget formulation that support against women violence.

In terms of gender representation in politics, NTT is characterized by acute capacity gaps in female representation in politics. NTT’s women in parliament made up only 10.8 percent of the province’s governing body. According to a donor agency informant, female representation in Kupang regional parliament was more than 30 percent. However, there is no such policy support towards poor women. This is due to the weakness of legal drafting, budgeting and public diplomacy that addresses these matters.

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3 Badan Layanan Umum Daerah-SPAM was originally instituted to operate large dams built by the central government and was intended to supply bulk water to PDAMs. They have also started to sell water directly to users.
ENVIRONMENT, NATURAL RESOURCES, AND SUSTAINABLE DEVELOPMENT

According to the government informant, NTT needs approximately seven to eight facilities for hazardous waste management. Apart from general hazardous waste, those facilities are important for treating medical waste generation from hospitals and other health-care facilities, including the anticipated COVID-19 spread from biohazardous waste. This year, the NTT Provincial Government added one hazardous treatment plant in Flores, one in Kupang, and one in Labuan Bajo to resolve the shortage.

Informant from NGOs stated that NTT has a lot of potential in the marine sector, such as marine resources for capture and aquaculture, and the potential of salt resources. However, responsibilities overlap between central and provincial authority for management of national conservation areas. Thus, specification or division of authorities between the central and subnational governments would be a helpful step moving forward.

In the context of environmental protection, NGO informants noted that there are several existing opportunities that the private sector can promote to ensure sustainable development. For instance, the BUMDes or the village enterprises has planted 10,000 trees in NTT potential areas, collaborating with the Ministry of Forestry and Environmental Services (KLHK). Similarly, development of sustainable energy from solar energy and access to water are completed in collaboration with the private sector. The other example is the development of marine protected areas and marine ecotourism in the coastal area of NTT.

It should be noted that mining is not allowed in some districts, particularly in Flores. Though some district heads support mining exploration, it is not encouraged as it may present adverse effects for those running in subsequent subnational elections due to some public opposition towards mining activities. The Catholic Church remains opposed to the mining industry because of previous negative experiences where mining activities caused environmental damages, and thus continues to see mining as detrimental for the local environment.

THEME 4: INCLUSIVE ECONOMIC GROWTH

PROGRAMS FOR LOCAL LEVEL CAPACITY-BUILDING

By law, authorities can allocate the Village Fund as an instrument for various purposes such as, resource management, economic development, and/or environmental protection. However, instead of using for such purposes, informants reported that this fund is predominantly used for infrastructure development to support tourism sector development, and not for capacity development. There is also a bottleneck created by elite capture in development programming. The village governments prefer to work with the elites and further stymie civil society’s advocacy of the village budget. As a result, the informants said that the authorities have not expensed the allocated budget efficiently.

For example, in Hadekawa Village, Lembata, the village government allocates village funds to increase the economic and social capacity of the village by allocating it to local fishermen, aquaculture farmers, and seafood processors. There are two main programs established by the village officials. One engages villagers in anchovy business development. The villagers take part in producing high-quality anchovies, from drying and selecting to packing. Through the support of the Village Fund, businesses have been successful, and Hadekawa has become the largest fish producer in the regency (the village supplies seven types of anchovies, with prices starting at IDR 30,000 [US$2.12] per 250 grams). In one month, the village can produce more than one ton of dried anchovies, selling their products not only on local e-commerce platforms, such as Tokopedia (one of Indonesia’s most popular online marketplace apps), but also drawing interest from several other countries, such as Timor Leste and China. Furthermore, this program has also engaged and empowered women to engage in this business and generate income for their families. The second program is an initiative to provide fishing vessels for small-scale fishermen through a special loan scheme (e.g., interest-free
Fishermen pay off their loan by using their fishing income. When they earn more they pay more, and their loan gets paid off sooner as well. The loan duration depends on the amount of their loan installments. This program provides the community an opportunity to improve their livelihood through fishing.

INCLUSIVE GROWTH AND WORKFORCE DEVELOPMENT

Agriculture is one of the main sectors in NTT, with most NTT residents engaged in it according to BPS (2020). Despite its significant contribution to the province’s economy, the informants from NGOs and academicians noted that the agriculture sector is still lagging, as demonstrated by the large number of farmers dependent on subsistence agriculture and having limited access to modern agricultural technology and methods.

Currently, the NTT Provincial Government is working on fostering entrepreneurship as much as possible, though informants from academic institutions and NGOs describe the province as lacking market integration. They continue to say the government has not played a role in linking entrepreneurs with the market, resulting in stunted business growth. The government also has not been active in sparking interest from large investors to invest in local businesses and job creation.

Related to gender and inclusive development, the level of women’s participation in the workforce is significantly lower than that of their male counterparts. The top management level of government institutions is mostly dominated by men, while women work as low-level staff.

The informants from NGOs indicated that most skilled workers come from outside of NTT. The NTT people are just engaged in labor-intensive work (generally, low-paying jobs). As mentioned by the informants from the government, the gap between demand for and supply of skilled workers is one of the biggest concerns in NTT. The general level of education in NTT, particularly in upper grades, is relatively low. Based on the data from BPS (2020), the level of school enrolment rate in NTT in 2019 is 96.16 percent for elementary school, 69.19 percent for junior high school and 53.68 percent for senior high school. Demand for a high-quality workforce has been on the rise because of the rapidly expanding international tourism industry in NTT. The NTT Provincial Government recognizes that a highly educated and skilled workforce is critical to improve provincial development, and they have begun initiatives to improve the province’s skill development. For example, the NTT Provincial Government has built training centers, commonly called Balai Latihan Kerja, in high schools to improve students’ technical skill readiness after graduation. There is also an empowerment program for ex-migrant workers to apply their skills acquired from working abroad to underdeveloped sectors in NTT. However, from the NGOs’ perspectives, the capacity-building programs for workforce development are limited. Moreover, despite capacity-building initiatives, the coverage of the programs does not reach the lowest strata of the economy.

TOURISM AND OTHER GROWTH SECTORS

The NTT Provincial Government sets tourism as the most promising sector according to the current RPJMD. Some respondents from the government and private sectors think that tourism development in Labuan Bajo will potentially increase economic growth and job opportunities for the surrounding communities. For example, there are potential opportunities for the community members to become tour guides or sell local products at villager’s stalls. Therefore, as suggested by the same informant, the most effective method of empowerment is through language learning and marketing training programs.

In contrast, community members and NGO respondents were highly critical about the development, with some of the following perspectives: (i) tourism development will cater only to the rich; (ii) it is increasing land prices considerably; (iii) local government lacks the ability to link the community with the tourism market; (iv) access to tourism sites, especially beaches, has become limited; and (v) as a
common fear, it will import high ranking staff like engineers and managers instead of promoting local people.4

The NTT Provincial Government sees tourism as the prime catalyst for economic development. From the NTT Provincial Government perspective, Labuan Bajo is designated as a premium tourism area because of its port entrance for other tourism destinations in NTT. Flores Island has a tremendous tourism potential because it includes Kalimutu, 17 Islands, Warebo’s oldest indigenous village, Sawowisata, Semanasanta, and fishing ground in Lamarela, whereas Sumba hosts destinations like Parawita Beach and Nihi Watu. However, because of COVID-19, the tourism economy of the province has contracted. Even though the impact did not have as much an effect as in Bali, effective recovery efforts across the tourist destination need to be developed. The pandemic is causing the community in NTT to increase and strengthen household- and community-level food production because NTT is a remote province that cannot depend on food or other items from Java.

THEME 5: DONOR COORDINATION

In NTT, the informants from the government report that many donors have preconceived ideas and methods, often not in alignment with the government’s priorities and community needs. To coordinate with donor agencies and international organizations, NTT has created a Joint Secretariat (sekretariat bersama) to manage all donor activities in this province. However, the Joint Secretariat has not implemented its tasks and mandates effectively and efficiently because there are overlapping programs and budgets among the donors. Currently, NTT does not have program mapping, particularly for donor programs.

Government informants suggest that donors need to understand the time frame of the government planning process, as the NTT Provincial Government relies on the fiscal year to implement the development program. If donor investments arrive at different times, it is recommended to go through the planning process. The most effective method of donor engagement is dependent on the type or model of collaboration. However, informants suggested three points the donors should consider: (i) understand the mission of the program; (ii) understand the government priority and time frame of the government planning process; and (iii) collaborate with all of the actors in this province. Some respondents suggested that successful implementation of programs in NTT requires development of programs that leverage the strengths of local NGOs to improve their capacity.

As reported by a government informant, NTT Provincial Government is eager to cooperate in response to the Sustainable Development Goals (SDGs) issues, such as eradicating poverty, access to clean water, improving maternal and child health, as well as environmental sustainability. It is mandatory for each provincial Development Planning Agency at Sub-National Level (BAPPELITBANGDA) to make the Regional Action Plan (Rencana Aksi Daerah) to accelerate the implementation of the SDGs, which are a good entry point for donors to align their mission to the SDG implementation in this province.

4 In the last two years, several public rallies occurred in the streets of Labuan Bajo in protest of the government plan to develop Labuan Bajo into a “super premium” tourist destination. The Government has four exclusive projects in Labuan Bajo. First, a membership-based ticketing policy has proposed an annual membership fee to access Komodo National Park (US$1,000, valid for multiple visits). Local people within the Komodo National Park are protesting this plan because they will be relocated from their original village. The tourist association including guides and ship owners also protest because they see they will be marginalized because the tourism destination will be made only for exclusive tourists. Second, geopark development in Rinca Island is like an artificial building to facilitate tourists to see Komodo. Third, a geothermal project was made to support the tourism industries, but the problem is that the project will relocate the indigenous community within the surrounding areas. A fourth government project is the development of exclusive economic zones (Kawasan Ekonomi Khusus) to prepare the G20 Summit 2023 in Labuan Bajo.
CONCLUSIONS

Findings from the PEA interviews illustrated that inclusive economic development is the prime challenge for NTT. Despite a relatively high GDP growth rate per annum (5.2 percent), the poverty rate remains high. A weak investment climate, lack of infrastructure, lack of local government capacity, political favoritism in allocation of economic opportunity, and an inadequacy of skilled workforce deter investment and impede the development of a competitive private sector. The result is high rates of poverty and unemployment, and low rates of workforce participation. Conclusions according to key PEA pillars are discussed below.

THEME 1: INTERGOVERNMENTAL RELATIONSHIP

Foundational factors: Despite of some internal problem such as political issues and differing interests, the relationship between each level of government (national-provincial-district) has gone relatively well. The central government’s large funding allocation to NTT (around 80 percent of total provincial budget) has prompted cooperation across each level of government to build infrastructure (dams) to solve the water crises, build infrastructure in the border areas, and up Labuan Bajo as a super-premium tourist destination. However, in some cases, the political relationship has become unstable, with the local government officials belonging to different political parties and holding varying priorities, issues, and development capacity efforts.

Rules of the game: Various levels of autonomy across each level of government result in a mixed regulatory environment. Development programs and policies at the national level do not always respond to the needs of the provincial or local government, highlighting the lack of coordination between different levels of government. Even though the public is involved in the planning process through Musrenbang, a critical challenge is that the implementation appears to be simply a formality, as there is no guarantee that public input at the village level will be used as a reference point for the provincial or district budget preparations.

Here and now: The provincial government has made an increased effort to improve coordination between different levels of government through efforts such as a monthly coordination meeting, assistance for drafting the APBD, the APBN, and others. However, lack of skill and capacity within NTT remain the biggest challenges. Lack of human capacity within the province to implement projects designed by the central government also contributes to the delay of project completion or an unsatisfied outcome and threatens future development prospects.

Additionally, as reported by the informants, the problem is not because NTT received few interventions, but rather too many interventions from the central and provincial government were executed without involving the community in the development process. In some cases, the government began program implementation in place without prior notice to the local community, especially indigenous landowners. As a result, some development programs were not successfully implemented because land ownership issues were not solved.

Dynamics: NTT faces numerous challenges for government effectiveness and economic development. Despite the relatively harmonious relationship between the central and provincial government, the relationships between the local governments are not always in line because of differences in political ideologies between governors and regents.

THEME 2: GOVERNANCE AND ACCOUNTABILITY

Foundational factors: Ethnicity and religion are embedded in the politics of NTT. This has affected at least two aspects in governance: (i) government officers dominate a small, controlling group with close ties to a particular ethnic family, and (ii) budget is allocated along ethnic lines.

In terms of community participation, there is room for people’s participation in the earlier stages of the process of development planning (especially under a chair of the Musrenbang mechanism), but
there is less or even no involvement in the latter stages, where the state’s actors are dominant in various sessions of the budgeting and planning process.

Some informants hope the media, as a pillar of democracy, can play a key role in promoting governance and accountability. Unfortunately, the media does not operate freely because of their dependence on the government for advertisement or funding. The media therefore avoids criticism of the government but solely publishes positive government activities.

The political environment in NTT allows civil society to have relative freedom of operation, but funding presents a challenge for many NGOs. As stated by some informants, most NGOs depend on foreign donors, whose funding levels for Indonesia are shrinking. In the absence of external support, it is not clear if NGOs can maintain their current levels of activity with a continued lack of domestic financial support sources.

**Rules of the game:** Customary land disputes are an ongoing challenge for NTT Provincial Government. These disputes are driven by the lack of state recognition of customary and communal lands. The provision of alternative settlement of customary land disputes requires a specific local bylaw (*perda*) that clearly outlines the specific actors, roles, and responsibilities to resolve disputes. However, reaching alignment between *perda* and customary law remain the biggest challenges.

**Here and now:** Social media in NTT is growing rapidly but is constrained by low media literacy. Some information is shared on social media without verification of accuracy. However, to some extent, social media also has a powerful impact on criticizing the government with the aim of improving government function. Some informants feel that social media provides them a timelier source of information compared with local news, operating as a firsthand source.

Radio is still quite significant in rural regions, though the dominance of social media is growing rapidly and plays an increasingly important role in development and government accountability. A growing number of privately owned local publications operate across the province, although the ownership of the print sector is concentrated to media conglomerates. The monopolized media environment introduces coverage bias and compromised independence of media beyond political elections. Furthermore, the lack of diversity in media outlets and coverage limits accountability and coverage of alternative discourse or content.

**Dynamics:** To improve accountability, informants from governments, academicians and NGOs indicated two factors should be addressed: (i) involve the community in budgeting and planning processes while maintaining transparency; and (ii) involve ethnic groups (indigenous communities) and religious institutions, such as the head of the local Catholic Church or Reverends. To bridge the development processes gap between the citizens and government, donors need to support alternative independent media to shape a civil society that strengthens democratic access and public participation.

**THEME 3: SERVICE DELIVERIES**

**Foundational factors:** As mentioned by the informants from NGOs, donor and government official, the issue of service delivery is not only access, but also quality and services. In fact, the human resource capacity who managed the funding and the synergy among government institution has influenced the quality of service delivery. Regarding access as a factor, all informants mentioned that the archipelagic conditions and the geographical terrain in NTT make distribution and provision of service delivery both challenging and expensive. Apart from that, corruption and an ineffective budget management still hampers the provincial infrastructure development process. Other challenges mentioned are lacking in government strategy and human capacity for planning development, monitoring, and budgeting. However, synergy among government institution, especially for natural resource management are considered as main challenges in the eye of professional academics.
**Rules of the game:** The service delivery in NTT is considered highly regulated by the government and technically complex, making it a risky—or higher-cost—space for donor institution to enter the process. Even though funding from donors, development finance institutions, or governments can help to lower risk and catalyze investment.

**Here and now:** Currently, there is some progress on PPPs to provide primary basic needs in the province related to forests, sustainable energy, and marine ecotourism. However, PPPs have yet to align actors and secure buy-in from provincial stakeholders to ensure success at the highest level.

**Dynamics:** Health, nutrition, and WASH need more attention in NTT. Further, women empowerment, gender equality and environmental management also needs to become an active mainstream development activity at the same time. The provincial government has been working to address growing challenges on those problems. However, little progress has been made thus far. Underlining this, the informants noted that every effort to improve services needs to pay attention to geographical conditions, weather, availability of infrastructure, human resources, funding, and the ability of local governments and communities to ensure increased coverage and service quality for the people in the region.

**THEME 4: INCLUSIVE ECONOMIC GROWTH**

**Foundational factors:** In terms of inclusive economic growth, the NTT Provincial Government deems NTT open for investment. However, the Provincial Government’s openness to investment from private sectors did not take into account the local aspirations and customary rights. The trade-offs between development gained through private investments and the possible loss borne by local people (such as the loss of customary lands) and those borne by people in the neighboring districts, have not been carefully considered and compensated. Any intervention in economic growth need to consider participation and representation of all stakeholders and need to ensure the fair share of the gain and the loss in pursue of economic growth.

As the tourism sector has potential to improve the economy in NTT, many informants believe that the development of tourism might not necessarily translate into local community benefits. Apart from the infrastructure problem, government priorities pose obstacles for tourism growth. For example, the government has not addressed the skill gap through adequate programming.

**Rules of the game:** The central government has distributed funds to villages to boost the country’s economic development. However, as a new fiscal instrument, the funds have yet to bring significant development to villages. Despite the huge budget received from the central government, some villages face the problem of appropriate budget allocation. Thus, the village officials need to be empowered and trained to make proper use of the allotted funds.

The private sector has not yet been actively involved in the development, with involvement limited to corporate social responsibility (CSR) initiatives. However, many companies have not implemented CSR initiatives because of the lack of monitoring and enforcement from the government. Under-the-table agreements still exist and are a convenient way to establish partnerships. Furthermore, there is no clarity on how the private sector can participate in development. Therefore, the partnership between the government and private sector in development has not been very effective and successful.

**Here and now:** For both this and next year, NTT’s primary focus for budget allocation is infrastructure. The central government has allocated IDR 1.3 trillion (91.65 million USD) to build infrastructure supporting the development of Labuan Bajo as a premium tourist destination, including industries, roads, and bridges. However, several questions arose since the infrastructure is commercialized for tourism facilities rather than for public services. The COVID-19 pandemic has also caused some contraction to the tourism industry and prompted the province to enhance local food production in the face of less dependable imports from Java.
**Dynamics:** Several agencies support tourism development in NTT through collaboration with the government, though to some extent this development occurs without strengthening local initiatives (such as adat/local customs). Several investors come to NTT, buy local land, and transform it into tourist facilities (e.g., resorts, etc.), resulting in further marginalization of local communities. In an ideal situation, involving the community is somehow needed. For instance, the community can provide food for tourists through the agriculture sector and develop traditional performing arts so that traditional culture of NTT is promoted worldwide.

**THEME 5: DONOR COORDINATION**

**Foundational Factors:** Donors engagement with BAPPELITBANGDA and Sekda prior to implementing their programs can be beneficial for the province. NTT also has a Joint Secretariat (sekretariat bersama) to coordinate all donor activities in this province. Thus, engaging with them can be easier with access to detail information on conducive landscape in NTT. Alignment of programs with the NTT Provincial Government priorities and strategies, highlighting the need to understand the time frame of the government planning process may be helpful as the provincial government relies on the fiscal year to implement the development program.

**Rules of the Game:** Donors must engage with BAPPELITBANGDA and Sekda prior to implementing their programs. NTT also has a Joint Secretariat (sekretariat bersama) to coordinate all donor activities in this province. Thus, engaging with them is crucial to know the details of the donor landscape in NTT. Donors are expected to align programs with the NTT Provincial Government priorities and strategies, highlighting the need to understand the time frame of the government planning process, as the provincial government relies on the fiscal year to implement the development program.

**Here and Now and Dynamics:** As a new province for USAID, NTT has a powerful potential, yet requires more resources to learning each sector. As reported by a government official, NTT Provincial Government is eager to cooperate in response to water scarcity, stunting, maternal and child health, as well as SDG issues through the provision of capacity-building, innovation, and pilot activities.

Currently, each provincial BAPPELITBANGDA has led the implementation of SDGs at the provincial level, and they should develop innovation in implementing SDGs at the local level. It is mandatory for each provincial BAPPELITBANGDA to make the Regional Action Plan (Rencana Aksi Daerah) to accelerate the implementation of SDGs. The informants from government and NGOs suggest donors can use the SDG indicators as an entryway to the local government. BAPPELITBANGDA will be extremely grateful if the donor can collaborate with them in achieving the SDGs targets because it is in line with their priority programs and goals.
RECOMMENDATIONS

These PEA findings have highlighted several approaches USAID should consider to engage in NTT’s development most effectively.

1. **Engage with the Provincial Government through SDGs related issues.** As a new province for USAID, NTT has a powerful potential, yet requires more detailed information regarding each sector. Collaboration with BAPPELITBANGDA is needed to gain complete information about the development programs and other donor projects as well as to align with local priorities and timelines. NTT Provincial Government is eager to cooperate in SDG-related issues through the provision of capacity-building, innovation, and pilot activities, making the SDGs a good entry point for USAID.

2. **Governance and Public Participation.** To bridge the gap between the citizens and the government in the development processes, USAID should promote an alternative media outlet and CSO. In addition, it is necessary to promote educational programs that will help people to understand how they may appropriately and peacefully assert their legitimate social, economic, political, and legal rights.

3. **Land Tenure:** Support mechanisms that aim to bridge stakeholder communication and resolve land tenure disputes that hinder development. This could be done through supporting the government, CSOs, and the private sector to strengthen adat institutions at the district level. USAID’s programs in land tenure and resource rights help to: expand economic growth, improve food security, limit conflict, empower women, address global climate change, and improve natural resource management.

4. **Village Fund.** Promote civil society’s role in monitoring the use of village funds and improving villages’ planning capacity. USAID programs should also improve people’s literacy in understanding their role and rights as citizens.

5. **WASH.** Considering the geographical challenges in NTT and the great need for a safe, affordable water supply, USAID should focus on catalytic sector investments that ensure affordable access for all rather than WASH service delivery to beneficiaries, one community at a time. Given the impact of water scarcity on the critical local agricultural sector, programming should also seek complementarities with the nutrition sector to enhance health gains.

6. **Workforce Development.** Promote education and training programs that facilitate the government officials and the citizens entry into growth sector. Emphasis should be placed on female skills development and workforce participation, given their more limited involvement.

7. **PPPs.** Facilitate PPPs to create enabling conditions for the private sector to contribute in addressing development challenges in NTT, for instance, the partnership between the provincial government with the private sector to engage in inclusive workforce development, particularly in the growth sector (tourism).
REFERENCES


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Indonesia Strategic Assessment Report. 2020. USAID.


ANNEX 1: BACKGROUND FOR EACH THEME, BASED ON DESK REVIEW

Theme 1: Political relationship between the level of government

Background:
The rapid shift from centralized-authoritarian to decentralized-democratic rule in Indonesia has been accompanied by a large variation in sub-national government policies across districts. In some cases, national policies are unsynchronized with the needs and challenges at the subnational level. There is also a noticeable capacity gaps among civil servants within government institutions let alone a significant gap between government and non-government institutions.

Theme 2: Governance and Accountability

Background:
Accountability is key to ensuring people are able to realize their rights through responsive institutions and governments with the capacity. Based on desk review, NTT’s governance structure is more open and accountable than half of Indonesia’s 34 provinces. However, NTT has low level of citizen participation in public policy deliberations.

Theme 3: Service delivery and donor coordination

Background:
A number of programs are implemented through international partnerships and local initiatives to address public service delivery in NTT. However, NTT still faces substantial challenges to improve people’s live. The desk review found that some contributing factors to the matters are cultural, socio-economic, gender norms and geographical barriers. There is also a strong influence from ethnic groups in public service delivery.

Theme 4: Inclusive economic growth and workforce development

Background:
Despite its abundant natural resources, NTT has a high poverty rate. Around 3.3 percent of national poor and vulnerable population (bottom 40 percent) live in NTT. Evidence shows that poverty is more prevalent in rural compared to urban areas in NTT. Each year, the Government of Indonesia (GoI) distributes funds for village development, aiming to reduce poverty in rural area. The government also developed a plan to support several tourism development areas to reduce poverty within the province. However, the existence of tourism does not necessarily benefit the local community. Rather than empowering and supporting local communities, unregulated tourism facilitates the growth of local tourism elites and global corporations.

Theme 5: Donor Coordination

Background:
In terms of development challenges, most foreign development assistance has to go through the national government (BAPPENAS) before implementation.
ANNEX 2: CORE AND SUPPORTING PEA QUESTIONS

Theme 1: Political relationship between the levels of government

1. What factors shape the relationship between central and NTT government? To what extent are these relationships changing, and why? [FF] [D]
   a. How is the coordination between local and central govt and among local stakeholders? How does the local government adopt and implement national policies? How would you describe your relationships with government colleagues at the local, provincial and national levels? [RG][D]
   b. What is the relationship between the Provincial level and the Districts regarding capacity building, planning, monitoring, human resources, setting service delivery priorities, and approach to implement national government priorities? [FF][RG]
   c. What are the views on efforts and effectiveness of the local government? What are existing views on interventions (plans) of the national government? What needs to happen for NTT to improve on the issues that concern you? [RG][HN]

Theme 2: Governance and Accountability

2. How does different groups, ethnicity and institutions of governance seek to influence policy? [FF][D]
   a. How different interest of groups outside government (e.g., private sector, NGOs/CSOs, the media) seek to influence policy?
   b. What aspects of local culture (ethnic, religious and political etc.) are important for development and to improve people's lives in NTT? What is the overlap of traditional/indigenous groups values and those of the local or national government? [RG][D]
   c. How could cultural traditions or indigenous knowledge be used to enhance development efforts? [RG]
   d. Who is predominantly represented in the local leadership and where they are coming from? [FF][D]

3. How do NTT's media/information landscape impact the govt-civil society relationship? [FF]
   a. How do people in NTT get most of their news and information? What is the media landscape, and how widespread is social media? [HN][D]
   b. What sources do people or groups trust, and why do they trust them? What drives the behavior of media actors? How does that contribute (or not) to broader development objectives? [FF] [D]

Theme 3: Service Delivery

4. Looking through the lens of access, quality, financing, what are the main challenges in your sector? Is there anything specific other than these main issues that is predominant in your sector? [FF] [D]
   a. What do you see as the root causes behind these challenges? [FF][RG][HN]
   b. What do you think are effective solutions to resolve these challenges and what is the government (or any other stakeholder) doing to help? Do you think government reforms in this case is effective? [FF][RG][HN]
c. Please share your lesson-learned and experiences in working on your own sector in NTT particularly on funding and financing issues? How are donor funding and resources being managed in NTT? [D]

d. What is the current private sector partnership (PPP) in your sector? Do you support them in any way? How would you evaluate their effectiveness? [RG][D]

5. In terms of natural resources management and sustainable development,
   a. what are the potential opportunities or arrangements with private sectors that need to be enhanced to promote sustainable development? [D][HN]
   b. What are the main drivers and challenges that exist between the national-provincial-district governments to promote sustainable development? [D][RG]
   c. How data and information are supposed to be collected, shared, and used in decision making? What are the immediate incentives and constraints around the process? [D][RG]
   d. How the provincial government can coordinate and manage available resources across sectors in NTT given there are many key players working in this issue? [D][RG]

Theme 4: Inclusive Economic Growth and Work Force Development

6. To what extent are programs directed at building the capacity of individuals or businesses prioritized by authorities at different levels, and why? [FF][RG]
   a. What are the determinants of the uses for GOI’s Village Fund in NTT? [RG][FF]
   b. How is the fund utilized and for what projects? Do the projects contribute to economic growth and/or employment? [HN][D]
   c. How is the fund perceived—reflecting both on the allocation process, its implementation, and its ultimate contributions to local development? Does this differ across different groups? [RG][D]
   d. What are available sources of financing for businesses? Who is able to take advantage of them and why? [FF][HN]

7. How are local and national governments engaged in increasing inclusive economic growth? [FF]
   a. Are there any local programs supporting entrepreneurs and preparing them to engage in prominent growth sectors in NTT? [D][RG]
   b. What is the quality and availability of the local workforce? What is your opinion about the gender parity in workforce? [D]
   c. What are the main challenges, if you think there is a skill gap between demand and supply of quality workforce in NTT? [D]
   d. Are there any local programs improving skills and employability of the workforce in order to prepare them to engage in growth sectors? Do local or national governments support these programs in any way? If not, then what are the bottlenecks and what support would you need? [FF][D]
   e. Are there any local programs supporting entrepreneurs improving their business and customer service skills preparing them to engage in tourism and other growth sectors? How would you evaluate available workforce skills (soft and technical skills)? [D]

8. Could you please provide general overview of tourism and other growth sector in NTT? [FF]
   a. Do citizens’ views on NTT (or the area around Labuan Bajo) becoming another Bali differ from the government’s? If so, how? Why? [FF][D]
   b. What do citizens and local gov’t feel about Labuan Bajo being slated for development into a ‘super premium’ tourist destination for high-end tourism? How do locals feel about the way
tourism is being developed? How are local people at all economic levels benefitting? What could be done to ensure people are included at all economic levels? [FF] [D]

Theme 5: Donor Coordination

9. **What is the most effective way for the donor community to engage with the provincial government to implement a program that also supports provincial goals and objectives?** [D][RG]
   a. What do you think should be the role of the civil society to facilitate the process? [D]
   b. What are the existing Incentives and constraints around improving public participation in this process? [HN]
   c. If there are multiple donors in your sector, what do you think is the best way to engage them? [D][RG]
ANNEX 3: FINDINGS, CONCLUSIONS, RECOMMENDATIONS MATRIX


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<th>Question</th>
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<td><strong>Theme 1: Intergovernmental Relationship</strong></td>
<td>The relationship between central government and local government is good [1,2,3,15], and quite close [4,5] because:</td>
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<td>1. <strong>What factors shape the relationship between the central and NTT government? To what extent are these relationships changing and why?</strong> [FF] [D]</td>
<td>1. NTT contributed greatly to Jokowi’s vote in the 2019 presidential election. Jokowi won votes more than 80% in the last presidential election in NTT [2,4,5] (FF);</td>
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<td>a. How is the coordination between local and central government among local stakeholders? How does the local government adopt and implement national policies? How would you describe your relationship with government colleagues at the local, provincial and national levels? [RG] [D]</td>
<td>2. Central government put high attention to NTT by allocating huge funds in building infrastructure (dams) [1,6] in response to the water crises [2,5,12] and other infrastructure in the border areas [4,12], setting up Labuan Bajo as a super-premium tourist destination [3,5]. (D)</td>
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<td>b. What is the relationship between the Provincial level and the Districts regarding capacity building, planning, planning, monitoring, human resources, setting service delivery priorities, and approach to implement national government priorities? [FF] [RG]</td>
<td>3. More than 80% of APBD NTT comes from Central Government transfers (DAK/DAU) [12,13,14]. (FF).</td>
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<td>c. What are the views on the efforts and effectiveness of the local government? What are existing views</td>
<td>4. Central government was supported by a party that has a strong base in NTT (PDIP) [15] which is also a coalition party of the elected governor (Nasdem) [2,5], so that the governor has close relation with Joko Widodo [15] and builds a good communication system with the president (FF). Besides that, in the history, PDIP had also a good relation with NTT as Soekarno was deported to NTT during Dutch colonization [3] (HN).</td>
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<td>Even though the relationship between the central government and Provincial government are harmonious, the relationship between local government is not always harmonious due to differences in political parties between governors and regents [1,14]. There are also disconnected planning (RPJMD) between provincial government and district government. No connection between RPJMD and office planning and action plan. Because they have different priorities, different time frames, different issues, different places, different skill and capacity [1] [FF].</td>
<td>5. Fundamentalism factor where the majority religion (Christian) in NTT supports Jokowi Because he appreciates plurality [4,15] (FF).</td>
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<td>In terms of development planning, the central government does not really understand the problem in NTT [11]. This is because the development planning in NTT is often based on “supply</td>
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**Question**

on interventions (plans) of the national government? What needs to happen for NTT to improve on the issues that concern you? [RG][HN]

**Summarized Response**

“driven” not based on the need assessment or demand driven from the village or the district or the province [1], based on their idea or what they think from outside [1], and not based on research [11]. In every year, there is a Musrenbang (Development Planning Multi-Stakeholders Consultation Meeting), but the implementation is just a formality [11] [RG].

There has been an effort from the provincial government to improve a good coordination between different levels of government, such as arrange a monthly coordination meeting, providing assistance for drafting APBD [14].

There are two types of coordination lines shaped in between the central and local government: 1. **bureaucracy** coordination which is a relationship between ministries and technical agencies that central government taking an active role in the coordination system, 2. **political relationship** which is the relationship between the governor, political parties, and DPR [10] (D). In the term of democratic process, the central government tends to **re-centralized the process** by applying a powerful **top-down approach** [3] (RG), which is less precise for the local people [2] (D).

In the past few years, there have been many huge projects in NTT. In some cases, according to our informants, the government is putting those programs in place without talking to the local community, indigenous land owners. As a result, some program isn’t going at all because the land ownership issues were not solved [6]

There are four challenges on efforts and effectiveness of the local government:

1. Lack of **human resources/human capacity** in translating projects designed by central government and executed by the local government [1,2,4,5,13] (FF), central government will put their own themes by setting up capable people outside the targeted area [4] (D).
2. There is a different **type of autonomy** in a different level of government that results in **different types of regulation** that is somehow mismatched one to another [3][4][5][15] (RG, FF), central government works individually, so does local government [2] [RG].
3. There are **too many interventions** from the central government which are executed without involving local people in the development process (without democratic procedure) and with less leverage [3]. Government allocates the budget in many islands, many districts and many commodities [1] (RG).
4. Not only the coordination between the local and central government in terms of budget for a program,
### Question

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<td>etc. but also the coordination within the government offices in the province [1,13] (D).</td>
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To improve a good coordination between central government and local government, building up communication, coordination and powerful synergy [12,13] by having only one reference in doing and implementing the policy among different layers of authorities is needed [15] (HN).

### Summary

<p>| Foundational Factors: | There is harmonious relationship between each level of government (national-provincial-district) due to several factors: (i) political factor (NTT contribute to Jokowi’s vote in the 2019 presidential election, member of coalition party, etc.); (ii) budgeting factors (more than 80% of APBD NTT comes from Central Government transfer / dana perimbangan); and (iii) development orientation (Jokowi’s commitment to develop and invigorate the country’s border areas). However, in some cases, the political relationship remains dynamic since the local government officials belong to a different political party and they have different priorities, issues, and capacity in development effort. |
| Rules of the game: | Different types of autonomy in a different level of government that results in different types of regulation that somehow mismatch one to another. Development programs and policies at the national level do not always respond to the needs at the provincial or local level, implying the lack of coordination between different government levels. Even though the public are involved in the planning process through MUSRENBANG, this involvement is often just a formality because there is no guarantee that public input at the village level is used as an important reference in preparing the local budget. |
| Here and now: | There has been an effort from the provincial government to improve coordination between different levels of government for the development planning and budgeting, such as arrange a monthly coordination meeting, providing assistance for drafting APBD. However, a different priority, lack of skill and capacity are the biggest challenges. Lack of human capacity in translating projects designed by the central government also contributes to the delay of project completion or an unsatisfied outcome. Additionally, as reported by the informants, the problem is not because the people didn’t receive less intervention. Instead, the people received too many interventions from the central and provincial government which are executed without involving local people in the development process. In some cases, the Government was putting those programs in place without prior notice to the local community, especially indigenous land |</p>
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| owners. As a result, some development programs were not successfully implemented because the land ownership issues were not solved.  
**Dynamic:** NTT faces numerous challenges to government effectiveness and economic development. Despite the relationship between the central government and Provincial government are harmonious, the relationship between local government authorities is not always harmonious due to differences in political parties between governors and regents. | Development priority in NTT depends on who is the current leader. If the leader belongs to a certain ethnic or certain area, the leader will prioritize the program from his/her ethnic or area. If the leader comes from a certain island, for instance, he/she will prioritize the program in that island. This condition also depends on who represents NTT in the Regional People's Representative Council (DPRD). If no one represents NTT, then the development project also did not work well. On the other hand, if there are a huge number of people representing NTT, then, they will dominantly influence the policy [12]. There is a case in one or two districts in the NTT where similar aristocrats are elected many times because of an intense primordialism [11]. There is a chance for local people (although limited) to participate in Musrembangdes or in planning RPJMD. So does NGO and CSO, they can participate in the SDGs forum [12,13]. However, the idea/aspiration of local people in the higher level (decision making process) is not being accommodated because the development priority has been made in the district/provincial government level [12]. There is a room to participate, yet, to be involved comprehensively is somehow very difficult, we only can participate partially [13]. Therefore, there are people who keep on protesting since they are not being involved since the government has limited budget and has developed priority [14]. The other groups are the private sector. The private sectors are very powerful in influencing the price, they also have a lot of money to buy land and control the farming system [1]. Some NGOs are now quite silent, they don’t have money [1]. CSO become less powerful. Because CSO members are recruited by the government. Become the adviser to this elite [11]  
The other approach to influence policy is through **managing a grass-root movement** such as: |

**Theme 2: Governance and Accountability**

2. **How do different groups, ethnicity and institutions of governance seek to influence policy?**  
   a. How different interests of groups outside government (e.g., private sector, NGOs/CSOs, the media) seek to influence policy?  
   b. What aspects of local culture (ethnic, religious and political etc.) are important for development and to improve people’s lives in NTT? What is the overlap of traditional/indigenous groups values and those of the local or national government?  
   c. How could cultural traditions or indigenous knowledge be used to enhance development efforts?  
   d. Who is predominantly represented in the local leadership and where they are coming from?**

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<tr>
<td>1. Involving in demonstration by representing the local community [3] [D].</td>
<td>The reason why people are going into the street because of a lack of the bridge between the political process and between the communities [3]. there is a gap between the community, and the people and the political process in this local elements, local representative, even for the political process in the local level [3].</td>
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<td>2. Organizing campaign that uses the media as a platform to raise awareness/pressure of the officials [15].</td>
<td>In NTT, the local traditional indigenous organization rules, wisdoms are weakened. The government so far only used cultures in terms of dancing, carving etc. to be promoted for tourism [1].</td>
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<td>3. Initiating an audio-visual platform to facilitate critical voice, gain solidarity from the adat community and influence the decision-making process [3] [RG].</td>
<td>For accountability is quite difficult to understand, because the leader is very strong on ethnic background. [11].</td>
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The local government is still having a problem with the indigenous people in TTS now because of the land disputes. The government wants to use the land for the development of cattle ranches, for the development of Moriya plantation. Although the issue of the land of indigenous people is discussed for such a long time with the government, but it is likely the government wants to make a fast output of the program, a land conflict is happening in TTS [4].

Land conflict also occur in Sumba, because of the lack of communication of the government, because the government only wants to deal with a small group of people and small group of leaders which is not representing of the whole community [4]

In the last two years, we have new authoritarian style of government practice in this provincial government. Including land eviction, land grabbing. If you search in Google, besipae. How the government try to grab 6000 ha of land in TTS. And around 200 people are threatened with eviction [11].

Working with the technical agencies (involving in the budgeting and planning process) [10] [RG] and advocating transparency [4] [RG] in the government could also be an option. By doing so, NGOs/CSOs should build a demand [10] [RG] and should work with religious institutions [10] [RG] such as head of Church (Catholic), Reverend or Pastor (Protestant) [5] [RG] and ethnics group (indigenous community) [4][5][10][15] [RG].
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<td>Aspects of indigenous knowledge that are important to develop: local knowledge on <strong>foods, medicines</strong> (species used by the eldest) and <strong>land tenure</strong> (technique to preserve nature better) [4] [RG]. To use local knowledge to enhance development efforts, NGOs/CSOs should focus on the sub-village level by considering each sub-village has different types of geographic setting [4] [FF]. To shorten the time in the decision-making process, the government discussed with only a small group of people and a small group of leaders that did not represent the indigenous community [4] [HN].</td>
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<td>In NTT, culture and religion is quite powerful and influential (intertwined one to another) [5][10][11] [FF], the political budget represents the <strong>ethnicity and the religion</strong>, there is a demand to balance the ethnic background in the leaders of the government: people are looking at the government whether sufficient ethnics groups in the government are represented or not [5][10] [D]. The identity of religion or ethnic becomes politicized during the election, either in the district election or provincial election. And also, under the bureaucratic position. In university academic position as well [11].</td>
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<td>The last two three years, the space for civil societies is more limited. Our provincial government does not have the capacity to facilitate the participation process in making policies in the province in order to influence the policies, civil society needs to have good consolidated initiatives [15].</td>
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| 3. **How do NTT’s media/information landscape impact the govt-civil society relationship? [FF]**  
  a. How do people in NTT get most of their news and information? What is the media landscape, and how widespread is social media? [HN][D]  
  b. What sources do people or groups trust, and why do they trust them? What drives the behavior of media actors? How does that contribute (or not) to broader development objectives? [FF][D]  

| Summarized Response | The media plays a significant role to influence policy in NTT [1]. NTT needs to improve the media, because they provide an input for reshaping the policy [1].  

In general, the media has a very important role in forming public opinion, has good influence to support development activities, and to criticize policies of governments that do not take the side of civil society (local people). However, media is also used to make propaganda, bring people to conflict, therefore, working with the mainstream media, reminding them to work in educating people, to accommodate the voice of the voiceless is also prominent [15] [D].  

Media has a significant role as a liaison between the government and the local people. Mainstream media (in the form of printed media), continuously provides policy-related news and also plays its critical role.  

Radio, relatively, has done a lot of off-air activities by involving government. Online media is quite aggressive in providing news as a mouthpiece for regional government policies, as well as being critical of existing policies. |
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<td>In rural areas, local people often use radio as a communication media.</td>
<td>Specified by age, mostly the older generation includes key positions of the government use Facebook to get most of the information, and the young generation, they use social media (Instagram and YouTube). WhatsApp (WA) is one of the most powerful online media in NTT.</td>
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<td>Specified by the internet coverage, in urban areas, people do not read newspapers, people prefer to use social media, while in the rural area, radio is one of the most prominent sources.</td>
<td>Specified by the speed of disseminating news, there are two types of news: traditional news (newspaper and radio) and online news, which is more powerful in influencing civil society.</td>
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<td>Media in NTT might be different from other regions, because in NTT, there are only government offices. Thus, advertisements or advertorials are also filled by government offices. So, the effect was the unbalanced information that is given to the public. The media in NTT are very influential on the government.</td>
<td>There are mainstream media in NTT. Media in NTT became less independent in NTT in the past two years.</td>
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<td>However, newspaper (traditional type of media) in Kupang is party-themed, they are controlled by the government, not only newspaper, but also online news, lack of covering community dynamics (exclude the issue in the communities) because their budget only comes from local government and political parties.</td>
<td>There are media that have been ‘born’ from the disappointment and frustration of activists and academia. It’s hard to get reliable information from certain areas, hard to trust the info that’s coming out, but nowadays it’s faster because people are doing it themselves. We actually have local media, people more and more trust local media rather than mainstream media, because mainstream media belongs to the investors that invest in Labuan Bajo.</td>
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<td>But the progress of local media is quite ironic because some critical media is lack of support financially, that’s why their performance is poor.</td>
<td>Summary: As mentioned earlier, ethnic and religion has embedded in the politics in NTT. That has affected at least two aspects in governance: a) the government officers</td>
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**Foundational Factors:** As mentioned earlier, ethnic and religion has embedded in the politics in NTT. That has affected at least two aspects in governance: a) the government officers...
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<td>are dominated among a narrow group with close ties to a particular ethnic of family, and b) priorities of the budget allocation are given to particular ethnic groups.</td>
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<td>Regarding to community participation, there is room for people’s participation in the earlier stages of the process of development planning (especially under a chair of MUSRENBANG mechanism), but less involvement or even non-existence of participation, in the latter stages where the state’s actors are dominant in various sessions of the budgeting and planning process.</td>
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<td>Some people hope the media as a pillar of democracy, can play a key role in promoting governance and accountability. In fact, the media do not operate freely because they rely on the government advertisement due to the low private sector investment in this province. The media try not to criticize the government, but try to publish what the government does.</td>
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<td>The political environment in NTT allows civil society to have relative freedom of operation, but funding presents a challenge for many NGOs. As stated by some informants, most NGOs depend on foreign donors whose funding levels for Indonesia are shrinking. In the absence of external support, it’s not clear if they can maintain their current levels of activity as they lack domestic sources of financial support.</td>
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<td>Rules of the game: Even though the ethnic and religion has embedded in the politics in NTT. According to the informants, the local traditional indigenous rules, wisdoms are weakened. The government used local cultures just for promoting the tourism industry. There is also little acknowledgement of the existence of customary land since the governor made the projects in customary land without any prior notice to the indigenous people.</td>
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<td>Here and Now: As mentioned by the informants, the social media in NTT is growing rapidly but is constrained by low media literacy. Some people just shared what they received from their social media without knowing the fact. However, to some extent, social media also has a powerful impact on criticizing the government with the aim of improving government function. Some informants feel that social media provides them a timelier source of information versus local news and likewise serves as a first-hand source.</td>
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<td>Even though the social media are growing rapidly and play an increasingly important role in the development and government accountability, radio is still quite significant in rural regions. The informants argue that radio is still viable in rural areas where less people have internet access and smartphones.</td>
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<td>In terms of printed media, although a growing number of privately-owned local publications operate across the province,</td>
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<td>the print sector is dominated by media conglomerates. This monopolized media environment could introduce coverage bias and compromised independence of media beyond political elections. Further, the lack of diversity in media outlets and coverage limits accountability and coverage of alternative discourse or content.</td>
<td><em>Dynamics:</em> To improve accountability, these factors should be addressed: (i) involving the community in the budgeting and planning process while maintaining transparency, (ii) involving ethnics groups (indigenous community) and religious institutions, such as the head of Church (Catholic), Reverend or Pastor (Protestant). To bridge the gap between the citizens and the government in the development processes, donors need to support alternative media to shape a civil society in the ideals of strengthening of democratic access and public participation.</td>
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<td>Theme 3: Service Delivery</td>
<td>Service delivery in NTT:</td>
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| 4. Looking through the lens of access, quality, financing, what are the main challenges in your sector? Is there anything specific other than these main issues that is predominant in your sector? [FF][D] | 1. **environment services**, NTT needs around 7 to 8 facilities to manage the hazardous waste. Besides for general hazardous waste, those facilities are important mainly to treat the medical waste generation from hospitals and other health-care facilities, including to anticipate the spread of COVID19 from infectious wastes. Currently there are a few existing incinerators, but so far, it is still very limited. Sumba and Timur do not have any facilities to manage the hazardous waste. NTT Government preferred to add one hazardous treatment plant in Flores to resolve this issue [8][D]. Most of the forest are degraded [1] the management of national conservation area, it is somehow overlapping, thus, specification on which authority belongs to the central government and which belongs to the district government is needed [8][D].  
2. **Drinking water and sanitation**, there is a lot of challenges in distributing drinking water and improving sanitation [2][5][8][D]: 80% of households use non-pipe water system [10][D] and encountering difficult situation where they are confused in using the water for their agriculture production or for survival [2][D]. Water sanitation problems also influence the behavior of NTT people, to change the culture of NTT people to a healthy life is an on-going problem [5][10][D]. How to deliver water from the sources to the houses remains an issue, there are only two areas, one in the city and one in the |
### Question
resources being managed in NTT? [D]

### Summarized Response
district that has a verified open denitrification system [5][10][D]. Water is very crucial [1]. Regarding basic service for instance fresh water, the availability of raw water is the biggest problem. The biggest problem is the water source. In NTT, there is no water source that is available for 24 hours. The problem is there is no water source, either groundwater or surface water. The rainfall is very low (3 months), the management of PDAM here did not work well. PDAM is also one of barriers for us to get clean water here. We also have problems related to the subsidies to PDAM. Many villages with limited budgets, only depend on the central government budget for PDAM (Three important issues: unavailability water source, low rainfall rate, and PDAM management) [14].

If we discuss PU, they have made KPS SPAM (Kelompok Pengelola Sarana Penelitian Air Bersih dan Air Minum/ a group of people that work to conduct research in clean and drinking water issues. In NTT, there are more than 3000 villages, more than 1600 villages have had SPAM. However, the human resources and the distribution remains unclear. There are around 125,000 households that do not have access to good sanitation in NTT.

3. **Education and work-force development**, workers in NTT have not yet varied, BLK or a place to empower workers is somehow needed to develop the capacity of workers in NTT [3][8][D]. Schools are also not well developed in the term of infrastructure and human resources (good teachers) [5][15][D]. Related to the workforce development, there is a lot undocumented or illegal migrant workers [7][D]. There is also human trafficking going on because low capacity of education and skill [3][15][D].

4. **Energy**, electrification ratio in NTT is around 86.81% per June 2020, we are targeting the ratio turns 100% within this year if possible. The energy from renewable sources is still limited, only around 12.25 million Watt, we can only utilize 1.99% [5][8][D].

5. **Democracy**, strengthening basic service delivery is needed [8][D], including strengthening the capacity or behavior of public servants is needed [2][D].

6. **Health and nutrition**, NTT has challenges in skilled birth attendants, neonatal mortality, it is the tenth biggest province in Indonesia [10][D] and also it has low coverage of immunization [10][D]. NTT quality of health is below Indonesian average, the problem is not in the access but the quality [10][D].

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<td>resources being managed in NTT? [D]</td>
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<td>We know that stunting is a problem, there are a lot of undernourished children in all over NTT. Nutrition issue (stunting) occurred because of water shortage [5][10][11][D]. For the issue of stunting, NTT in 2019 has around 92,110 cases of stunting (30.1%), problem of stunting occurs because of water crises [8][D]. It is already happened for years but we know that it is not going anywhere, although we know more money coming to that program but it won’t go anywhere because we are doing the same thing, so only the amount of the budget is increasing but not in term of activities not in the term of how to deliver it effectively [4] [FF]. The title of the program is mostly innovative, but in the implementation is business as usual, only the amount of money is bigger [4]. In addition to the quality of the health staff, in terms of the level of education, it is enough, compare to other province, and then, the challenges, is not only the high level of education (graduate) but on how we can maintain their quality of work or services (how they comply to the standard procedure, how they comply to the regulation [10]. In addition to the quality of the health staff, in terms of the level of education, it is enough, compare to other province, and then, the challenges, is not only the high level of education (graduate) but on how we can maintain their quality of work or services (how they comply to the standard procedure, how they comply to the regulation [10].</td>
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<td>7. Human trafficking. Many women are transporting and selling, and slave not only in Malaysia, but also in Indonesia itself. In North Sumatra, one of the cases that I follow. Main challenges in NTT:</td>
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<td>1. Corruption and ineffective government budget. We have a lot of money, but we have too many activities, so the governor pushed the district government to restructure the budget [1,12].</td>
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<td>2. Lack of capacity to make development planning, monitoring and budgeting [12]</td>
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<td>3. Topographical constraints. NTT has many islands with the topographical constraints [1] the isolation. NTT is different, it’s an island. Among 22 districts/municipalities are not connected. Each island has its own transportation problems that need more attention and budget [6]</td>
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<td>4. There is a problem in the government mentality, as a product of the new order regime that took a longer period, so they tend to only make a good report without serving the needs of people in the grass-root level [15] [FF].</td>
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| 5. **Infrastructure** is a main issue and challenge in service delivery especially in areas that are far from a district capital. An example is in a rural area in on a small island 30 minutes away from Kupang, it is still difficult to receive basic administrative services such as ID cards and marriage papers. This year and next year, **NTT only put focus in infrastructure**. The central government allocates 1.3 trillion just to build infrastructure that supports the development of Labuan Bajo as a super-premium tourist destination (tourism), including industries, road, bridge. Infrastructure is commercialized for facilities than for public services.

The development planning should be based on the need of people. Many times, what the government does with the development project is not connected to what people hope for. Government also should start paying attention to develop eastern part of Indonesia in terms of quality and quantity, so that there is no huge gap between eastern and western area of Indonesia because in the history, the government put more focus in developing western area.

Local people knew the key issues but they didn’t know how to formulate the key issue, to address the problem into priority, budget planning, and design.

Lesson-learned in working with the government, NGOs or CSOs should be supported by:

1. **An enabling environment** that accommodates policy making process, including formulation, implementation, and monitoring. Also, that accommodates community feasibility, so that NGOs or CSOs could see an opportunity to work with the local community and empower them. Besides working with the local community, NGOs or CSOs could also work with the technical agencies and build a demand for development projects through advocacy and capacity building so that local governments could support the program.

2. **A leadership skill** from the local advocate or local champion

3. **A source or an entry point** that enables NGOs/CSOs to involve in policy making process, particularly in budgeting. Based on PP no.16/2017, NGOs or CSOs is allowed to support the budget of the provincial government and district government through organizing empowerment programs and research projects. To influence the policy, civil society has to work very well in preparing their documents, study and the research in order to...
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<td>advocate the issue, if they have the powerful point, the government will consider it as a legal document [15][D].</td>
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| d. What is the current private sector partnership (PPP) in your sector? Do you support them in any way? How would you evaluate their effectiveness? [RG][D] | Current private sector/donors/investors partnership (PPP):
1. Primary basic need such as hospital initiated by Lippo Group with a good quality [3][D]
2. Retail businesses such as carrefour and hypermarket [4][D]
3. **CSR programs to support basic service delivery** [3][5][D], sometimes given directly to the local government, so that local government manage the money without the surveillance of local people [5][RG], or given to villagers directly but the budget is not as significant as the budget from government [3][D]. However, CSR is pretty impactful for the community welfare [8][D].
4. **Supporting tourism development** in the NTT by working collaboratively with the government but without strengthening local initiatives [15][D]. Many investors coming to NTT, buy the land owned by local people and transform it into tourism facilities (resort, etc.), this somehow isolates local people [5][D]. In an ideal situation, involving local people in many aspects is somehow needed, the tourism should also benefit local people [2][D]. For instance, local people can provide food for the tourists (agriculture sector), also they can develop the traditional performing arts so that traditional culture of NTT is acknowledged worldwide [2][D]. |
| **1. In terms of natural resources management, and sustainable development:** a. What are the potential opportunities or arrangements with private sectors that need to be enhanced to promote sustainable development? [D][HN] | Potential opportunities or arrangements with private sectors:
1. **Building the awareness and the knowledge on how to engage with the private sectors** [10][D]. In the provincial government there is not a lot of collaboration with private sectors that are trying to achieve sustainable development of natural resource management [10][D]. It is mostly a business to government relation; the government provides the necessary licenses and the private sectors are mostly an extractive operation [10][D].
2. **Salt industry**, because NTT has a high-water evaporation [3][D].
3. **Planting 10000 trees in NTT potential areas**, collaborating with the Ministry of Forestry and Environmental Services (KLHK) [2][D]. There used to be a similar program collaborating with KLHK in |
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<td>a. What are the main drivers and challenges that exist between the</td>
<td>Labuan Bajo, even there was one program initiated by Pastor Marcel in Manggarai Barat which could successfully transform an empty land of 12 ha to a forest [2] [HN].</td>
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<td>national-provincial-district governments to promote sustainable</td>
<td>4. <strong>Developing sustainable energy</strong> from the solar system and water resources [15][D]. Developing mining is not acceptable in NTT, particularly in Flores, even if the head of district (Bupati) supports the mining industries, he will lose the support for the next election. The Church always opposes the mining industry due to having bad experience in the past since it only damages the environment [5] [HN].</td>
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<td>development? [D][RG]</td>
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<td>b. How data and information are supposed to be collected, shared, and</td>
<td>Main drivers and challenges:</td>
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<td>used in decision making? [D][RG]</td>
<td>1. <strong>Coordination with a good synergy</strong> [2][D] or how to navigate the political landscapes [10][D], specifically in the international level and the relationship between business and national political landscape because usually what is happening in the provincial is something that already been decided in the national level [10] [RG].</td>
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<td>c. How can the provincial government can coordinate and manage available</td>
<td>2. <strong>How to educate local people to have their responsibility to take care of the project</strong> [15][D]. Many times, projects from donors only give huge amounts of money without empowering locals to maintain the project, so that when they have problems related to the project, local people do not know how to deal with the problem and they will not use the infrastructures/facilities anymore [15] [HN]. Therefore, empowering local people from the very beginning (planning) and throughout the process, during monitoring the project, and also in taking care of the project after it is done to make use of it for long-term, is needed [15][RG].</td>
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<td>resources across sectors in NTT given there are many key players working</td>
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<td>in this issue? [D][RG]</td>
<td>The government is currently arranging <strong>NTT Satu Data</strong>, meaning that NTT has centralized the data taken by BAPPELITBANGDA [15][D]. However, they are not putting a lot of resources into comprehensive data collection, and data analytics (lack of human resource) [10][D]. Also, it is important to <strong>learn what kind of data they have and how they use the data for the development policy</strong> as it seems that the government did not have urgency of making use of the data in the development planning [15][D]. Considering the urgency of the data must be a part of the policies that the government has in making a good development planning (it should be based on the data) [15] [RG].</td>
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<td>In relation to how provincial governments coordinate and manage available resources, <strong>local people do not know where the provincial government is involved and</strong></td>
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<td><strong>intervene in this dynamic</strong>, the authority seems to be overlapping one to another and remains unclear [3][D]. During the process, there is also <strong>no benefit for the local people</strong>, because investors are outsiders and there is no empowerment as well as access for the local people to involve, though provincial government does not have comprehensive understanding about the condition of the environment [4][D], thus local people are being isolated [5][D]. However, in some cases, for instance, in allowing the mining industry to invest in NTT, the provincial government needs to have permission from the head of Church [5][D]. Therefore, there is an opportunity for donors to build the capacity of local government as the problem is in the capacity of local government [10][D]. It is important to build a participative approach, it should not be the government as the driving force, the government should be the facilitator yet the driving force for the industries should be from the community itself [10][RG]. To achieve that, it is important to build understanding and capacity of the community so that they know what to do and how to go about to build that sustainable program [10][RG].</td>
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| Summary | **Foundational Factors:** All informants mentioned that the geographical conditions of NTT which consists of many islands both large and small will affect the performance of service delivery. Distribution of regions consisting of oceans and mountains may have accessibility in island areas which are very difficult to reach by policy implementers and require considerable costs. In addition, corruption and an ineffective budget still hampers the provincial acceleration process. Government mentality (the mentality that only tends to make a good report, but not to really serve the needs of the community) and lack of human capacity to make development planning, monitoring and budgeting also considered as challenges in delivery services.  
**Rules of the game:** The service delivery market in Indonesia is considered highly regulated by the government and technical complex, making it a risky—or higher-cost—space for entry. Funding from donors, development finance institutions, or governments can help to lower risk and catalyze investment.  
**Here and Now:** Currently, there is some progress on public-private partnership (PPP) to provide primary basic needs in the province, such as building hospitals or other facilities. There is also such progress in the WASH sector since many national and international agencies come to NTT. However, this work has yet to reach a tipping point of aligned actors and buy-in from provincial stakeholders. |
### Dynamics

There are some basic sectors, such as health, nutrition, and WASH in NTT, that need to pay attention to the demands and needs of the local community and in accordance with the developments and problems faced. Efforts to improve health services need to consider geographical conditions, weather, availability of infrastructure, human resources, funding and capabilities of local governments and communities, so that there is an expected increase in the reach and quality of services to communities in the region.

### Theme 4: Inclusive Economic Growth and Work Force Development

2. **To what extent are programs directed at building the capacity of individuals or businesses prioritized by authorities at different levels and why?** [FF][RG]
   
   a. What are the determinants of the uses for GOI’s Village Fund in NTT? [RG][FF]
   
   b. How is the fund utilized and for what projects? Do the projects contribute to economic growth and/or employment? [HN][D]
   
   c. How is the fund perceived—reflecting both on the allocation process, its implementation, and its ultimate contribution to local development? Does this differ across different groups? [RG][D]
   
   d. What are available sources of financing for businesses? Who is able to take advantage of them and why? [FF][HN]

By law, the Village Fund can be allocated towards resource management, economic development, and/or environmental protection. But, so far, the Village Fund has mostly been used for infrastructure development [4,10,16], that mostly support the development of tourism sectors, and not for capacity development [4][10][D], even there is an elite capture in the development program going on, meaning that government has to work with elite to make the programs work, civil society is weak to advocate the village budget [4][D]. Therefore, during the process, from five hundred million rupiah more than a half of it is already allocated for the salaries (staff), and only around 10% is used for the infrastructures and 10% for local initiatives (local community) [3][D]. The fund is well received but the community put a lot of pressure on the village government and village head, they are looking at how the fund is being spent [1].

There is a powerful control from the community and the interest group (NGOs), so that the fund is not being misspelled and being allocated for empowering or educating local people [10] [RG].

There is a political dynamic in the used of village fund, when a person is elected as a head of village (kepala desa), the person will have people who support him/her and his/her party, so when the village fund is distributed, the elected person will have issues that the money will go to those who support him/her and his/her party [15][D].

Thus, empowering head of village in how to make use of the big amount of the money, is needed, the money should be used for making youth (people) to have hope on their own villages instead of going outside the villages which will expose the local people to the human trafficking issue [15][D].

The small businesses mostly rely on the financial sectors such as banks and also the government funds as the government supports the small businesses financially [10][D].

There is a good example from Hadakewa village in Lembata. Village fund in Hadakewa has been used to increase the
### Question | Summarized Response
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**economic potency of the village by allocating the fund to support local fishermen, aquaculture farmers, and seafood processors** [16]. Hadakewa was associated with world-class anchovies. Production was started by village-owned enterprises (BUMDes) in 2017. As the largest producer of fish in the regency, the village offers seven types of anchovies, namely *merang, peseng-peseng, sira, mao merah, mao putih, phada* and *gelle*. Each type is sold in various quantities, namely 100 grams, 250 g, 500 g and 1 kilogram, with prices starting at IDR 30,000 (US$2.12). In a month, the village produces more than 1-ton anchovies (dried). The anchovies are not only meant for local consumption, as they are currently available on Tokopedia. There has been interest from several countries, such as Timor Leste and China, to purchase the product. Residents take part in producing high-quality anchovies, from drying and selecting to packing, and the local administration pays them [16].

3. **How are local and national governments engaged in increasing inclusive economic growth?**

   a. Are there any local programs supporting entrepreneurs and preparing them to engage in prominent growth sectors in NTT? [D][RG]

   b. What is the quality and availability of the local workforce? What is your opinion about the gender party in workforce? [D]

   c. What are the main challenges, if you think there is a skill gap between demand and supply of quality workforce in NTT? [D]

   d. Are there any local programs improving skills and employability of the workforce in order to prepare them to engage in growth sectors? Do local or national governments support these programs in...

   NTT is extremely dependent upon an agricultural sector that is still traditional [11].

   In NTT, everyone's fear-- if we are ready with the local workforce or not. If it becomes truly world class, the higher-ranking service staff (managers, engineers etc.) will be imported. [6].

   Currently, the government is working on **creating as many entrepreneurs as** they can but they **do not link the producers with a market with volume and consistent supply**, so that the small businesses are not growing [4][D]. Government also **does not link the big investors with the localities**, meaning that they keep on inviting big investors and do not build work-force (create jobs) for the localities [4][10][D].

   Quality of the local workforce (gender perspective): the majority of work-force, the maximum education is in primary high school (low education level), and very few above that [10][D]. Mostly workers coming from outside of NTT, so the NTT work-force is mostly just for **hard-labor type of work** [10]. The lower ones will be local [6][D]. Related to the gender issue, in the top management level of the government institution, it is mostly dominated by male, female is only in the level of staff [10][D].

   Challenges to the skill gap between demand and supply of quality workforce:

   1. **Level of education** where in NTT the level is relatively low compared to Java [10][D].
### Question

any way? If not, then what are the bottlenecks and what support would you need? [FF][D]

e. Are there any local programs supporting entrepreneurs improving their business and customer service skills preparing them to engage in tourism and other growth sectors? How would you evaluate available workforce skills? (soft and technical skills)? [D]

### Summarized Response

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<td>2.</td>
<td><strong>Lack of quality of work and services</strong>, particularly in how they comply to the standard procedure and regulation [10][D].</td>
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<td>3.</td>
<td><strong>Traditional skill</strong> in agriculture production and tourism which is closely related to the culture [5][D].</td>
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Local programs improving skills and employability:

1. There are some government initiatives to train and build the skill of high school graduates so they are ready for the workplace, and there is a routine program that has been budgeting for every year [10][D].

2. There is an empowering program for ex-migrant where incentive is given as a stimulus for them to apply the experience that the migrants got while working as a migrant worker abroad and contributing in a sector that has not yet been developed in NTT [8][D].

Capacity building programs for the workforce are limited and so far, seems to be the responsibility of NGO. Even if there is any capacity building program, the coverage of the program did not reach local people in the middle and low class [13].

Local programs improving skills and employability:

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### 4. Could you please provide general overview of tourism and other growth sectors in NTT? [FF]

a. Do citizens' views on NTT? (or the area around Labuan Bajo) becoming another Bali differ from the government's? If so, how? Why? [FF][D]

b. What do citizens and local government feel about Labuan Bajo being slated for development into a “super premium” tourist destination for high-end tourism? How do

The community expresses diverse views on the tourism development in Labuan Bajo.

- **Reason for negative reaction:**
  - Tourism will be targeted only for rich people not for the local [1,3,4,6].
  - The price of land rose. They use the local people to buy the land. The price for the land is quite higher [1,2,5]
  - Many of the businessman are foreigner or outsider [2,4]
  - The local government is not really ready to link the community and the tourism market [3]
  - Limited access to tourism sites and attractions [12]

- **Reason for positive reaction:**
Question

locals feel about the way tourism is being developed? How are local people at all economic levels benefiting? What could be done to ensure people are included at all economic levels? [FF][D]

Summarized Response

- The expectation of local people is they can get benefit from that process [4,5]
- People’s perception is really positive. Because people feel that, even elementary students nowadays are fluent in English because they must be the tour guide. They also must prospect the tourists on buying local products that are available around the village. If there is a private company or other stakeholders that are offering their help; the most effective way is giving them the English training for them to manage good stalls/shops. Thus, it could improve the local people’s capacity through empowerment [9].

In the last two years, several public rallies were taken out in the street of Labuan Bajo in protest against the government plan to develop Labuan Bajo into a ‘super premium’ tourist destination [3]. Government has four exclusive projects in Labuan Bajo: (i) Membership-based ticketing. This policy has proposed an annual membership fee to access Komodo National Park. The new entry fee to Komodo National Park is US$1,000, and is valid for multiple visits. local people and tourist villagers within the Komodo national park protesting this plan because they will be relocated from their origin village, and also tourist association like guides and the owner of the ships also protest this because they will get impacted, they will be discriminated like they will be marginalized because the destination will be made only for exclusive tourist [3]. (ii) Geopark development in Rinca Island. It is like an artificial building to facilitate tourists to see Komodo, and people also opposed this one [3]. (iii) Geothermal project, it is built in one isolated community, the project actually made to support the tourism industries but the problem is that the project will relocate the indigenous community within the surrounding areas [3]. (iv) Development of Exclusive Economic Zones (Kawasan Ekonomi Khusus) to prepare the G20 Summit – 2023 [3].

Labuan Bajo is designed as a premium tourism area to be the entrance of East Nusa Tenggara tourism. Apart from Labuan Bajo, Flores also has tremendous tourism potential, there are Kalimutu, 17 Islands, Warebo’s oldest indigenous village, Sawowisata, Semanasahta, fishing ground in Lamarel, while in Sumba there is Parawita Beach, Nihi Watu [8].

To develop tourism in Labuan Bajo, particularly to increase the length of visit in Labuan Bajo, the attractions, tourism’s events, and organic foods produced by locals that all the ingredients coming from the NTT area were provided. Nowadays, white snapper fish and grouper fish business plans are being developed. In order to welcome the G20 and ASEAN Summit 2023, as per today, we already developed three cultivation area
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<td>of grouper fish and white snapper fish as food stock during 2023 [8].</td>
<td>The Provincial Government of NTT sets tourism as a leading sector which is written in the provincial development plan (RPJMD) [12]. The provincial government has their commitment to make tourism as a prime mover of the development here, but we have to acknowledge that COVID19 has a big impact that hit this tourism very hard [15]. The national government wants to make Labuan Bajo as a tourism destination, it is OK but it is very important to empower the local society [15]. In NTT, tourism is applicable as a priority sector for to improve workforce development. But during the covid-19, no one wanted to travel. We need to go to the basic sector; we need to start from the bottom. Not jumping to the service sector [11].</td>
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<td>Summary</td>
<td>Foundational Factors: In terms of inclusive market driven growth, the provincial government is deeming NTT open for investment. The role of Governor Laiskodat in simplifying regulation procedure and arranging NTT SATU DATA has been praised by many informants. However, the governor’s approach appeals to private sectors to invest in NTT, that has not fixed the foundational challenge faced by private sectors which is the difficulties to compromise with local cultures particularly on customary lands. Consequently, there are still many unresolved conflicts between private and local communities, as shown in Labuan Bajo, Komodo National Park, Sumba, TTS and the other districts in NTT. The challenge in improving inclusiveness to private sectors would also require an effective approach to deal with traditional norms. As the tourism sector has potential to improve and speed up the economy in NTT, however, as reported by the informants, the existence of tourism does not necessarily translate to local community benefits. Apart from the infrastructure problem, government mentality also forms obstacles for tourist growth. The government tends to only make a good report without serving the needs of people at the grass-root level. In addition, the government has not put the right programs into place to address the skills gap. Rules of the game: The central government has been distributing funds to villages to boost the country’s economic development. However, as a new fiscal instrument, village funds have yet to bring significant development to villages. Despite the huge budget they received, some villages face the problem of how the fund is being spent. Thus, empowering the head of</td>
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village in how to make use of the big amount of the money, is needed.

Private sector has not yet been actively involved in the development; their involvement is rather limited to accommodate the obligations of doing corporate social responsibility (CSR) initiatives. However, many companies have not implemented CSR due to the lack of monitoring and enforcement from the government. The convenient way to establish partnerships, for instance, under-the-table agreement, still exists. Furthermore, there is no clarity on how private sectors could participate in development. Therefore, the partnership between the government and private sector in development has generally not been achieved.

Here and Now: This year and next year, NTT only put focus in infrastructure. The central government allocates 1.3 trillion just to build infrastructure that supports the development of Labuan Bajo as a super-premium tourist destination (tourism), including industries, road, bridge. However, several questions arose since the infrastructure is commercialized for tourism facilities rather than for public services.

Due to the COVID-19, the tourism economy of the province experienced a contraction. Even though the impact didn’t have much effect compared to Bali, but effective recovery effort across the tourist destination needs to be developed. The pandemic is actually bringing people in NTT to increase and strengthen food production at the household and community level, because NTT is quite a remote province that cannot depend on foods or many things from Java.

Dynamics: Several agencies support the tourism development in NTT by working collaboratively with the government. However, to some extent, this development occurs without strengthening local initiatives. Many investors coming to NTT, buy the land owned by local people and transform it into tourism facilities (resort, etc.), this somehow isolates local people. In an ideal situation, involving local people in many aspects is somehow needed. For instance, local people can provide food for the tourists (agriculture sector), also they can develop the traditional performing arts so that traditional culture of NTT is acknowledged worldwide.

Theme 5: Donor Coordination

5. What is the most effective way for the donor community to engage with the provincial

In NTT, many donors come with their thoughts and their own way of doing things [12]. That was a lack of alignment with the government’s priority and community needs [4,8].

NTT has a Joint Secretariat (sekretariat bersama) to coordinate all donor activities in this province [8]. However, as a
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<td>government to implement a program that also supports provincial goals and objectives? [D][RG]</td>
<td>coordination forum between the local government and donors, the Joint Secretariat needs some improvement to implement its tasks and mandates effectively, efficiently and dynamically [7, 11]. In terms of skill, there is also a gap between government and non-government organization people [15]. There are overlapping programs and budgets among the donors [7]. Up to the present time, NTT provinces do not have program mapping, particularly donor programs [10]. Many donor activities in NTT are simply, just “give a fish” [12]. This has a bad impact on the community, the mentality of the community becomes the mentality of beggar, not empowered them. When the donor leaves, the community returns to normal reality [12]. To implement the program, the provincial government relies on the fiscal year, we need to understand the timeframe of the government planning process. If donor money arrives at the different time frame it may rough in the planning process as well. [1] Working with BAPPELITBANGDA and SEKDA is the key to make things work [4]. Many BAPPELITBANGDA in Indonesia, is striving and committed to improving the achievement of sustainable development goals (SDGs), because the provincial government is the implementer of the SDGs and there are indicators they make that must be included as regional actions. There are three points the donors should consider: (i) understand is the mission of the program [4]; (ii) understand the government priority [1][4]; understand the timeframe of the government planning process [1,4]; (ii) playing with all of the actors in this province [4]. The most effective way for donor to engage with the provincial government is depend on the type or model of collaboration [1] To successfully implement the programs in NTT province, it is also important to develop programs that leverage the strengths of local NGOs while allowing them to gain [4, 12, 13]. We can put civil society in the multi-stakeholder forum [4]. USAID needs to develop a grand design, then open space for communication with selected local governments [8]. When the communication discussed is an action plan. [8]</td>
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<td>a. What do you think should be the role of the civil society to facilitate the process? [D]</td>
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<td>b. What are the existing incentives and constraints around improving public participation in this process? [HN]</td>
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<td>c. If there are multiple donors in your sector, what do you think is the best way to engage them? [D][RG]</td>
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<td>Summary</td>
<td><strong>Foundational Factors:</strong> Understanding the mission of the program, government priority, time frame of government planning process, actors and cultures should be prioritized in designing a project.</td>
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<td><strong>Rules of the game:</strong> Donor communities must start with the Bureau of Foreign Cooperation and then BAPPELITBANGDA and Sekda prior to implementing the programs. The Bureau of Foreign Cooperation was placed directly under the governor’s control. NTT also has a Joint Secretariat (sekretariat bersama) to coordinate all donor activities in this province. Thus, engaging with them is crucial to know the details of the donor landscape in NTT. Donors are also expected to align the provincial government’s priority as well as their fiscal year to implement the program. So, understanding the timeframe of the government planning process should be prioritized in designing a project.</td>
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<td><strong>Here and Now:</strong> As suggested by the informants, donors can use the SDG’s issues as an entry point approach to the local government. Unlike MDGs, the SDGs implementations are adopting an inclusive approach where the implementer is on Provincial BAPPELITBANGDA. If the donor is able to collaborate with the BAPPELITBANGDA to achieve the SDGs target, they will be extremely grateful. This is because, in line with their priority programs and goals.</td>
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<td><strong>Dynamics:</strong> As a new province for USAID, NTT has a powerful potential yet it requires more detailed information about each particular sector. Thus, work in areas where the local CSOs are strong enough is recommended.</td>
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<td><strong>Recommendation</strong></td>
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- There are four points the donors should consider, particularly for the development planning: (i) understand the mission of the program; (ii) understand the government priority and their timeframe; (iii) understand the community’s needs; (iv) playing with all of the actors.  
- A quick entry point to begin the program in NTT is through the Bureau of International Cooperation under the Bupati Office and with BAPPELITBANGDA. The reasons were threefold: (i) to help streamline development programs and priorities to maximize local government budgets; (ii) to gain the complete information about the other donor’s project; and (iii) to speed up NTT SATU DATA project.  
- To bridge the gap between the citizens and the government in the development processes, donors need to support alternative media to shape a civil society in the ideals of strengthening democratizes access and public participation.  
- As a new province for USAID, NTT has a powerful potential yet it requires more detailed information about each particular sector. Thus, work in areas where the local CSOs are strong enough is recommended.  
- Facilitate Public-Private Partnership to create enabling conditions for the private sector to contribute in addressing development challenges in NTT, for instance, |
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<td>the partnership between the provincial government with the private sector to engage in inclusive workforce development, particularly in the growth sector (tourism).</td>
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